

**State:** Virginia  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2019 Inforce Rate Increases - JH CCIII  
**Project Name/Number:** 2019 Inforce Rate Increases - JH CCIII/

## Filing at a Glance

Company: John Hancock Life Insurance Company (U.S.A.)  
Product Name: 2019 Inforce Rate Increases - JH CCIII  
State: Virginia  
TOI: LTC03I Individual Long Term Care  
Sub-TOI: LTC03I.001 Qualified  
Filing Type: Form/Rate  
Date Submitted: 03/01/2022  
SERFF Tr Num: MULF-133155435  
SERFF Status: Closed-Approved and Filed  
State Tr Num: MULF-133155435  
State Status: Approved & Filed  
Co Tr Num: 2019 INFORCE RATE INCREASE - JH CCIII  
  
Effective: On Approval  
Date Requested:  
Author(s): Michelle Fluet, Carol Folsom, Joanne Witham, Alex Yi, Amanda Weaver  
Reviewer(s): Bill Dismore (primary)  
Disposition Date: 05/05/2023  
Disposition Status: Approved and Filed  
Effective Date:

<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

## General Information

Project Name: 2019 Inforce Rate Increases - JH CCIII

Project Number:

Requested Filing Mode: Review &amp; Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact: 21.3%

Deemer Date: 04/07/2023

Submitted By: Michelle Fluet

Status of Filing in Domicile: Authorized

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Individual Market Type:

Filing Status Changed: 05/05/2023

State Status Changed: 05/05/2023

Created By: Michelle Fluet

Corresponding Filing Tracking Number: MULF-131278368,  
MULF-132319248

State TOI: LTC03I Individual Long Term Care

Filing Description:

**State:** Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2019 Inforce Rate Increases - JH CCIII  
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Re: John Hancock Life Insurance Company (U.S.A.)  
 Company NAIC # 65838; FEIN #: 01-0233346  
 Individual Long-Term Care Insurance Rate Revision Submission  
 Revised Actuarial Memos (See Policy Form List Below)

Dear Commissioner:

We have recently completed our 2019 experience study. This comprehensive study is generally conducted every three years and examines the usage trend for our insured population. The study results show lower than expected claim terminations during the elimination/waiting period and an updated view of future mortality and morbidity improvements, partially offset by favorable incidence as policyholders are filing claims at a lower rate than expected. In short, we anticipate having to pay more claims in the future than previously expected.

As a result of the factors listed above, we are requesting a premium rate increase on the policy series listed below and are enclosing the actuarial memos and rates for your review and acceptance.

Policy Series Approval Date Years Sold Average Increase  
 ICC10-LTC-113/4/2011 2011 – 2013 21.3%

The proposed premium rates will be effective on the next policy anniversary date, following a 90-day policyholder notification period, which will be made as soon as practicable following state acceptance. As we will describe later in this letter, we will also offer affected insureds various benefit reduction options to help mitigate the impact of the rate increase.

The increases requested reflect the timing of the acceptance of our prior rate increase filings as well as any unapproved amounts from our prior filing on an actuarially equivalent basis.

#### Policyholder Options

We are fully aware that a premium increase may be difficult for our policyholders. Therefore, we will provide all policyholders with options which will help them mitigate the impact of any increase.

#### •Inflation Reduction

If the policyholder selects this option, they will be able to offset the premium rate increase.

Policyholders who originally purchased lifetime 5% compound will be provided with the ability to keep premium at the current level by decreasing their future inflation coverage to a lower percentage. These policyholders will be able to keep all accrued inflation increase amounts to date and the lower inflation index will apply on a prospective basis only. Reduced inflation rates are determined to be actuarially equivalent to the requested rate increase and therefore these options are only available if the full rate increase requested is accepted.

We intend to use the previously approved inflation form, LTC-COMP VA 5/19, approved on June 28, 2019 under SERFF and State Tracking Number MULF-131278368. The reduced index percentage is found in Appendix A.

#### •Paid-up Option

If the policyholder selects this option, the policy will be converted to a paid-up status on the rate increase effective date (the next policy anniversary date). The new policy limit will be equal to 150% of premiums paid, less any claims paid. Under this option all optional riders will terminate, and no additional inflation adjustments/increases will be provided.

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We intend to use the previously approved form, LTC-PDUP2 5/19, approved on February 16, 2021 under SERFF and State Tracking Number MULF-132319248.

Please note all of the referenced mitigation options above may not be available if the rate increase is not approved as requested.

•Nonforfeiture

The nonforfeiture benefit, if purchased, may be exercised and the policy will be converted to paid-up status in accordance with the policy provision on the rate increase effective date.

•Contingent Nonforfeiture

If the NAIC contingent nonforfeiture benefit is triggered customers will be offered paid-up coverage in accordance with the provision. Please note, that we will be voluntarily administering the contingent nonforfeiture benefit as described in the NAIC Model Bulletin "Announcement of Alternative Filing Requirements for Long-Term Care Premium Rate Increases" (as adopted by the Senior Issues Task Force on 8/9/2013.) We are allowing contingent nonforfeiture if the rate increase trigger is met for all affected policyholders, even if it was not otherwise required in your State.

•Additional Mitigation Options

Policyholders may also be able to reduce their benefit period, adjust their daily/monthly benefit amount, drop optional benefit riders or extend their elimination period.

Policyholder Communication Package

We intend to use our communication package that was approved by the Department on February 16, 2021 under SERFF and State Tracking Number MULF-132319248 for this form.

We developed the communication package keeping in mind the amount of meaningful and detailed information to the policyholder and presenting it in a clear manner. We have incorporated suggestions from state regulators, policyholders and our dedicated policyholder service representatives. This package will be personalized for each customer and of course will vary by their respective situation. This package is included in Supporting Documentation.

Ensuring No Cross-Subsidization Between States

We have ensured no state's rate increase approvals will subsidize other states' experience. Rate increases will vary by state, but only to reflect the timing and amount of prior rate increases approved by that state. This is accomplished by first backing-out all prior rate increases from our nationwide premium data. We then re-introduce prior rate increases with the amount and timing based on your state's prior approvals. The current proposed rate increases are then determined based on the amounts needed in order to achieve our target loss ratios where our targets reflect the lifetime loss ratios certified to in our prior filing.

Although some states may have capped our previous inforce rate increase filings, in each case this was done with the understanding that the full amount of the proposed rate increases were justified, and that John Hancock would be re-filing for the remainder at a later date. In instances where the remainder remains unapproved, it has been included in the current filings.

Past Losses Testing

Preventing companies from recouping past losses was the subject of a recent discussion by the Health Actuarial Task Force in late 2013. The accepted methodology by the Health Actuarial Task Force is to define past losses as actual past claims less



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expected past claims when determining loss ratio compliance where expected past claims are defined as the following:

Expected claims shall be calculated based on the original filing assumptions assumed until new assumptions are filed as part of a rate increase. New assumptions shall be used for all periods beyond each requested effective date of a rate increase regardless of whether or not the rate increase is approved. Expected claims are calculated for each calendar year based on the in-force during the calendar year. Expected claims shall include margins for moderately adverse experience; the margins included in the claims that were used to determine the lifetime loss ratio consistent with the original filing or as modified in any rate increase filing.

The rate increases we calculated follow the methodology described above to ensure that we are not recouping past losses.

This submission is being filed in all states.

The following items are included in this submission:

- \*the submission letter.
- \*all actuarial material.
- \*all required certifications.

Please do not hesitate to contact us regarding this submission. We will be happy to meet with the Department either in person or via conference call at a time of your convenience.

Thank you for your time and consideration in this matter.

## Company and Contact

### Filing Contact Information

Michelle Fluet, Senior Contract Consultant mfluet@jhancock.com  
200 Berkeley Street 617-572-0101 [Phone]  
B6-06 617-572-0399 [FAX]  
Boston, MA 02117

### Filing Company Information

John Hancock Life Insurance Company (U.S.A.)	CoCode: 65838	State of Domicile: Michigan
200 Berkeley Street	Group Code: 904	Company Type:
Boston, MA 02176	Group Name:	State ID Number:
(617) 572-6000 ext. [Phone]	FEIN Number: 01-0233346	

**State Tracking #:** MULF-133155435

**Company Tracking #:** 2019 INFORCE RATE  
INCREASE - JH CCIII

<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
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## Filing Fees

## State Fees

Fee Required?	No
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Retaliatory? No

Fee Explanation:

<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved and Filed	Bill Dismore	05/05/2023	05/05/2023

## Objection Letters and Response Letters

### Objection Letters

Status	Created By	Created On	Date Submitted
Info has been requested from company	Bill Dismore	03/09/2023	03/09/2023
Info has been requested from company	Bill Dismore	03/07/2023	03/07/2023
Info has been requested from company	Bill Dismore	02/08/2023	02/08/2023
Disapproved	Bill Dismore	09/20/2022	09/20/2022
Info has been requested from company	Bill Dismore	08/24/2022	08/24/2022
Info has been requested from company	Bill Dismore	07/07/2022	07/07/2022
Info has been requested from company	Bill Dismore	06/07/2022	06/07/2022
Info has been requested from company	Bill Dismore	06/06/2022	06/06/2022
Info has been requested from company	Bill Dismore	05/31/2022	05/31/2022
Info has been requested from company	Bill Dismore	03/14/2022	03/14/2022

### Response Letters

Responded By	Created On	Date Submitted
Michelle Fluet	03/09/2023	03/09/2023
Michelle Fluet	03/08/2023	03/08/2023
Michelle Fluet	02/22/2023	02/22/2023
Michelle Fluet	12/06/2022	12/06/2022
Michelle Fluet	08/31/2022	08/31/2022
Michelle Fluet	07/13/2022	07/13/2022
Michelle Fluet	06/08/2022	06/08/2022
Michelle Fluet	06/07/2022	06/07/2022
Michelle Fluet	06/03/2022	06/03/2022
Michelle Fluet	05/11/2022	05/11/2022

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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**State:** Virginia  
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**Filing Company:** John Hancock Life Insurance Company (U.S.A.)

## Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	3/7/23 Amendment	Michelle Fluet	03/07/2023	03/07/2023
Supporting Document	L&H Actuarial Memorandum	Michelle Fluet	01/24/2023	01/24/2023
Supporting Document	1/24/23 Amendment	Michelle Fluet	01/24/2023	01/24/2023
Supporting Document	Product Checklist	Michelle Fluet	05/18/2022	05/18/2022

## Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Actuarial Opinion & Summary Report	Reviewer Note	Bill Dismore	05/25/2022	
RRS	Reviewer Note	Bill Dismore	05/11/2022	

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
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## Disposition

Disposition Date: 05/05/2023

Effective Date:

Status: Approved and Filed

Comment: In approving this filing, the Company is reminded that pursuant to 14VAC5-200-153 D, it is required to provide updated experience reports for the next 3 years comparing the actual results to the results that the company projected in justifying the rate increase. We would expect the first of the three experience report filings to be made no later than 15-18 months after implementation, capturing a full 12 months of experience following the rate implementation, and including updated data through the most recent year end.

<b>Company Name:</b>	<b>Overall % Indicated Change:</b>	<b>Overall % Rate Impact:</b>	<b>Written Premium Change for this Program:</b>	<b>Number of Policy Holders Affected for this Program:</b>	<b>Written Premium for this Program:</b>	<b>Maximum % Change (where req'd):</b>	<b>Minimum % Change (where req'd):</b>
John Hancock Life Insurance Company (U.S.A.)	21.300%	9.500%	\$80,216	326	\$843,571	24.600%	0.500%

<b>Schedule</b>	<b>Schedule Item</b>	<b>Schedule Item Status</b>	<b>Public Access</b>
<b>Rate (revised)</b>	Rate Table	Approved	Yes
<b>Rate</b>	Rate Table	Withdrawn	No
<b>Supporting Document</b>	Certification of Compliance/Readability		Yes
<b>Supporting Document (revised)</b>	Product Checklist	Received & Acknowledged	Yes
<b>Supporting Document (revised)</b>	L&H Actuarial Memorandum	Received & Acknowledged	Yes
<b>Supporting Document (revised)</b>	Long Term Care Insurance Rate Request Summary	Received & Acknowledged	Yes
<b>Supporting Document</b>	L&H Readability - Health		Yes
<b>Supporting Document</b>	Cover letter	Received & Acknowledged	Yes
<b>Supporting Document (revised)</b>	Sample Policyholder Communication Package	Received & Acknowledged	Yes
<b>Supporting Document (revised)</b>	Statement of Variability	Received & Acknowledged	Yes
<b>Supporting Document</b>	Response to 3/14/22 objection	Received & Acknowledged	Yes
<b>Supporting Document</b>	Response to 5/31/22 objection	Received & Acknowledged	Yes
<b>Supporting Document</b>	Response to 6/6/22 objection	Received & Acknowledged	Yes
<b>Supporting Document</b>	Response to 6/7/22 objection	Received & Acknowledged	Yes
<b>Supporting Document</b>	Response to 7/7/22 objection	Received & Acknowledged	Yes

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Response to 8/24/22 objection	Received & Acknowledged	Yes
Supporting Document	Response to 9/20/22 objection	Received & Acknowledged	Yes
Supporting Document	1/24/23 Amendment	Received & Acknowledged	Yes
Supporting Document	Response to 2/8/23 objection	Received & Acknowledged	Yes
Supporting Document (revised)	3/7/23 Amendment	Received & Acknowledged	Yes
Supporting Document	Product Checklist	Withdrawn	No
Supporting Document	L&H Actuarial Memorandum	Withdrawn	No
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Supporting Document	Long Term Care Insurance Rate Request Summary	Withdrawn	No
Supporting Document	Sample Policyholder Communication Package	Withdrawn	No
Supporting Document	Statement of Variability	Withdrawn	No
Supporting Document	3/7/23 Amendment	Withdrawn	No
Supporting Document	3/7/23 Amendment	Withdrawn	No

**State:** Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)  
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**Product Name:** 2019 Inforce Rate Increases - JH CCIII  
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## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	03/09/2023
Submitted Date	03/09/2023
Respond By Date	03/16/2023

Dear Michelle Fluet,

### Introduction:

One or more forms included within the submission were found to be in non-conformity with statutory, regulatory or administrative requirements as set forth below.

### Objection 1

- 3/7/23 Amendment (Supporting Document)

Comments: We are confused by the addition of two SOVs under the Supporting Documentation tab. (RL PHCOMM Statement of Vari GPO VA 2019 v9.pdf and RLTC PHCOMM\_Statement of Variability GPO VA 2019 v9.pdf). There is the same confusion created by the LS Cover Letter. It appears that one of each of the letters applies to John Hancock policies and the other letter applies to "Fortis" (see bottom of SOV page 1).

Please clarify these discrepancies. If there is a John Hancock letter and a Fortis letter, we must have a John Doe for each version.

### Conclusion:

We shall be glad to reconsider this submission upon receipt of the revised forms to address the objections noted above. Should you need clarification of any of the information contained in this letter, please contact the undersigned.

A response to this objection (or request for information if more applicable) is expected within 30 days. After 30 days, the filing will be DISAPPROVED unless a 30-day extension is requested.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed.

Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Thank you for your courtesy and consideration in this matter.

Sincerely,  
Bill Dismore

**State:** Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2019 Inforce Rate Increases - JH CCIII  
**Project Name/Number:** 2019 Inforce Rate Increases - JH CCIII/

## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	03/07/2023
Submitted Date	03/07/2023
Respond By Date	03/21/2023

Dear Michelle Fluet,

### Introduction:

One or more forms included within the submission were found to be in non-conformity with statutory, regulatory or administrative requirements as set forth below.

### Objection 1

- 3/7/23 Amendment (Supporting Document)

Comments: The SOV - Fortis GPO PH Communication Package appears out of sequence with the John Doe Letter in that the revised SOV pertains to the section under "About the Premium Increase". On the SOV it appears below the "Your Premium Increase Option".

Please provide a redline version of the current SOV to assist us reviewing the changes made to the revised SOV.

### Objection 2

- 3/7/23 Amendment (Supporting Document)

Comments: The language in the John Doe letter that follows the "About The Premium Increase" section does not appear consistent with the SOV-VA JH-8470 Policyholder Cover Letter. For example the 2022 date is missing from the John Doe language.

Please provide a redline version of the original SOV and the proposed revised SOV and ensure that the John Doe letter follows the SOV language exactly.

### Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

Please respond by the "Respond By Date:" above. If an extension is required, you must submit your request prior to that date. An extension may be requested for up to 30 days. Failure to respond will result in the filing being closed.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Sincerely,  
Bill Dismore



**State:** Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)  
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## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	02/08/2023
Submitted Date	02/08/2023
Respond By Date	02/22/2023

Dear Michelle Fluet,

### Introduction:

One or more forms included within the submission were found to be in non-conformity with statutory, regulatory or administrative requirements as set forth below.

### Objection 1

- Sample Policyholder Communication Package (Supporting Document)

Comments: VA\_LS\_PH Communication 2019\_Final.pdf

VA\_GPO\_PH Communication 2019\_Final.pdf

Please provide these letters with the proposed rates in John Doe formats.

### Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

Please respond by the "Respond By Date:" above. If an extension is required, you must submit your request prior to that date. An extension may be requested for up to 30 days. Failure to respond will result in the filing being closed.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Sincerely,  
Bill Dismore

**State:** Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)  
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## Objection Letter

Objection Letter Status	Disapproved
Objection Letter Date	09/20/2022
Submitted Date	09/20/2022
Respond By Date	10/11/2022

Dear Michelle Fluet,

### Introduction:

The submission is *DISAPPROVED* and may not be used in the Commonwealth of Virginia.

After review of the reason for disapproval, please respond to this objection with the company's decision to withdraw this filing and refile combining all three policy forms or if the company wishes to appeal this decision.

### Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: After continued review of the filing, discussions with the Chief Market Examiner, Bob Grissom, and review of the prior filing, the facts seem to be the same as those that lead to our disapproval of a related filing in 2017 (see SERFF filing MULF-131066194.)

As noted in that filing, the primary issue is in regards to the multiple set of rates for the policy forms. The Bureau allows insurers to file different rates for new issues of a policy form as long as the insurer can actuarially justify the new rate going forward while the rate for existing policyholders remains unchanged. Subsequent rate increases must apply to all insureds rather than just to certain blocks, as this would be unfairly discriminatory pursuant to § 38.2-508 of the Code. The exception to this would be that it would be acceptable to increase the rates for one block as long as its actuarially justified and the rates for that block do not exceed the rates for any other block of rates for policy form ICC10-LTC-11.

The other issue is that only part of the policy forms experience was used to support the rate increase. In filing for a rate increase, the experience of the entire form should be provided and it would need to be demonstrated to the Bureaus satisfaction that the rate increase for one block is justified while also demonstrating that the policy as a whole would still meet the minimum required standards. The company may provide a breakdown of the experience in various segments, but it would still need to provide the experience of the entire form rather than simply part of the data.

Acknowledging the uniqueness of this issue, please contact Bob Grissom at bob.grissom@scc.virginia.gov if you wish to discuss this matter further.

### Conclusion:

We shall be glad to continue our review of this submission upon receipt of the company's response to the issues described above. Upon subsequent review, other concerns may require attention.

Please respond by the "Respond By Date:" above. If an extension is required, you must submit your request prior to that date. An extension may be requested for up to 30 days. Failure to respond will result in the filing being closed.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Sincerely,

**State Tracking #:** MULF-133155435

**Company Tracking #:** 2019 INFORCE RATE  
INCREASE - JH CCIII

<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
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*Bill Dismore*

**State:** Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)  
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## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	08/24/2022
Submitted Date	08/24/2022
Respond By Date	09/02/2022

Dear Michelle Fluet,

### Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

### Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide all SERFF Tracking #s for each of the following; (i) the date of approval of each form's initial rate approval, (ii) all rate increases for these forms filed with either the NAIC Compact and Virginia.

Please include pending, withdrawn and approved rate revision SERFF tracking numbers and include the Overall % rate increase requested for each filing.

The policy forms are:

- 1) ICC10-LTC-11 issued 6/2011 to 2/2013
- 2) ICC10-LTC-11 (2012) issued 10/2012 to 8/2014
- 3) ICC14 issued 7/2014 to 8/2015

### Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

Please respond by the "Respond By Date:" above. If an extension is required, you must submit your request prior to that date. An extension may be requested for up to 30 days. Failure to respond will result in the filing being closed.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Sincerely,  
Bill Dismore

**State:** Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2019 Inforce Rate Increases - JH CCIII  
**Project Name/Number:** 2019 Inforce Rate Increases - JH CCIII/

## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	07/07/2022
Submitted Date	07/07/2022
Respond By Date	08/05/2022

Dear Michelle Fluet,

### Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

### Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: After the approval of the original rates on March 4, 2011, the Company filed new business rates on two subsequent occasions; that is, filed revised rate schedules using the same policy form but applicable to new business only. The first set of new business rate schedules was approved on May 25, 2012, and the second set of new business rate schedules was approved on March 24, 2014. The Company has not previously received approval for any in-force rate increases on this form prior to this rate increase request. The Company has advised that the rate increase request is only applicable to the original set of rates and will not impact the 2012 or 2014 premium rate schedules.

In regards to the above and as requested in our objection letter under withdrawn VA filing, SERFF Tr. # MULF-131066194, please respond to the following:

1) Since the company has multiple premium rate schedules for the same policy form, pursuant to 14VAC5-200-153 B. 4. please provide a statement that renewal premium rate schedules are not greater than the new business premium rate schedules except for differences attributable to benefits, unless sufficient justification is provided to the VA Bureau of Insurance.

We request that the Company provide such statement and justify that the proposed premium rates are not greater than the two sets of new business rates approved on May 25, 2012 and March 24, 2014. In addition, provide justification that the proposed rate increase is not unfairly discriminatory pursuant to § 38.2-508 of the Virginia Insurance Code.

2) Please explain if the premium and claims experience was combined for the policy form utilized in all three sets of rates (2011, 2012, and 2014) or if the experience was restricted to the policies under the rates approved on March 4, 2011. Provide justification for the methodology used by the Company.

### Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

Please respond by the "Respond By Date:" above. If an extension is required, you must submit your request prior to that date. An extension may be requested for up to 30 days. Failure to respond will result in the filing being closed.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should

**Company Tracking #:** 2019 INFORCE RATE  
INCREASE - JH CCIII

**State:** Virginia  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2019 Inforce Rate Increases - JH CCIII  
**Project Name/Number:** 2019 Inforce Rate Increases - JH CCIII/

**Filing Company:** John Hancock Life Insurance Company (U.S.A.)

## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	06/07/2022
Submitted Date	06/07/2022
Respond By Date	06/09/2022

Dear Michelle Fluet,

### **Introduction:**

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

### **Objection 1**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please advise if Virginia has been withdrawn from filing MULF-132821167. If not, please explain how this filing impacts the VA rate request filing MULF-133155435. We are concerned that they are duplicate rate requests.

### **Conclusion:**

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

Please respond by the "Respond By Date:" above. If an extension is required, you must submit your request prior to that date. An extension may be requested for up to 30 days. Failure to respond will result in the filing being closed.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Sincerely,  
Bill Dismore

**State:** Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2019 Inforce Rate Increases - JH CCIII  
**Project Name/Number:** 2019 Inforce Rate Increases - JH CCIII/

## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	06/06/2022
Submitted Date	06/06/2022
Respond By Date	06/20/2022

Dear Michelle Fluet,

### **Introduction:**

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

### **Objection 1**

- L&H Actuarial Memorandum (Supporting Document)

Comments: If the proposed rate increase were to be approved as filed, please identify the specific triggers that would cause the company to file a future rate increase.

### **Conclusion:**

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

Please respond by the "Respond By Date:" above. If an extension is required, you must submit your request prior to that date. An extension may be requested for up to 30 days. Failure to respond will result in the filing being closed.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Sincerely,  
Bill Dismore



**State:** Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2019 Inforce Rate Increases - JH CCIII  
**Project Name/Number:** 2019 Inforce Rate Increases - JH CCIII/

## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	05/31/2022
Submitted Date	05/31/2022
Respond By Date	06/30/2022

Dear Michelle Fluet,

### Introduction:

One or more forms included within the submission were found to be in non-conformity with statutory, regulatory or administrative requirements as set forth below.

### Objection 1

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please explain why the company has not complied with 14VAC5-200-125 A. regarding Annual Rate Reports.

We were unable to locate a for annual rate report filed in Virginia for form ICC10-LTC-11 (Custom Care III).

### Conclusion:

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

Please respond by the "Respond By Date:" above. If an extension is required, you must submit your request prior to that date. An extension may be requested for up to 30 days. Failure to respond will result in the filing being closed.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Sincerely,  
Bill Dismore

**State:** Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2019 Inforce Rate Increases - JH CCIII  
**Project Name/Number:** 2019 Inforce Rate Increases - JH CCIII/

## Objection Letter

Objection Letter Status	Info has been requested from company
Objection Letter Date	03/14/2022
Submitted Date	03/14/2022
Respond By Date	04/13/2022

Dear Michelle Fluet,

### Introduction:

The Bureau has the following concerns and/or needs additional information to continue its review.

Please note, any revisions, modifications, or changes of any type to this filing must be clearly identified and explained in detail. For clarity, multiple changes should be summarized in a cover letter, etc.

### Objection 1

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: The company states that there were no prior rate increases on page 1. In the first paragraph on page two, the company states that there four rate increases in the past. We are curious how a rate increase was approved before the issue date of 6/11/2011. Please explain this discrepancy and correct as necessary.

### Objection 2

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: The narrative does not summarize the key information used to develop the rates including the main drivers for the revised rates for this specific form. Please revise the narrative to comply.

### Objection 3

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please explain why the historical data is not provided through 12/31/2021. The exhibits should be revised to show the historical data for the most recently completed year.

### Objection 4

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide a thorough description of the past rate revision filings for the form ICC10-LTC-11. It appears that several past filings were made through the NAIC Compact. Please provide a summary of each filing by SERFF Tracking number.

### Objection 5

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide Exhibits in Excel with working formulas so that the calculations may be followed.

### Objection 6

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide in Excel format an exhibit showing the rate increase history and status of existing rate increase requests in each state, including the cumulative approved rate increase percentage and the in force annualized premium for each state as well as the nationwide total.

### Objection 7

- L&H Actuarial Memorandum (Supporting Document)

Comments: For all projections requested in this question, the baseline should comply with the following:

**State:** Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2019 Inforce Rate Increases - JH CCIII  
**Project Name/Number:** 2019 Inforce Rate Increases - JH CCIII/

a. Any policies issued as limited-pay which are now in paid-up status should be removed, both from historical experience and future projections.

b. Premiums should be at the Virginia rate level for both historical and projected future.

c. Please use the appropriate maximum valuation interest rate for accumulation and discounting of this block.

### Objection 8

- L&H Actuarial Memorandum (Supporting Document)

Comments: To assist the Virginia Bureau of Insurance in its review, for each of the subsets of the business corresponding to the combinations of Benefit Period, Elimination Period and Inflation Option, please provide in Excel format the following projections on a nationwide basis:

a. current assumptions and current rates

b. current assumptions with the proposed rate increase

c. current assumptions with premiums restated as if the proposed rate increase had been in effect from inception.

d. actual historical experience to the projection date and future projections based on the prior assumptions (to be used in the Prospective PV test).

e. original assumptions and original premiums from inception

Projections a. - e. can be separate tabs or combined into separate columns on the same exhibit.

### Objection 9

- L&H Actuarial Memorandum (Supporting Document)

Comments: For each subset of business used in the requested projections, please provide the active life reserve balance as of the projection date on a nationwide basis.

### Objection 10

- Rate Table, [ICC10-LTC-11] (Rate)

- L&H Actuarial Memorandum (Supporting Document)

Comments: We did not find the rider forms listed under the "Affected Form Numbers" in the Rate/Rule Schedule tab nor a description of these forms in the actuarial memorandum. Please explain.

### Objection 11

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide all projections required to compute the "Prospective PV" and the "If Knew/Makeup Blend" allowable increases as currently under consideration by the NAIC.

### Objection 12

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide a comparison of the assumptions associated with the proposed rate increase to the assumptions associated with the most recently approved rate filing. For those assumptions that have changed, please provide explanations for the changes.

**State:** Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2019 Inforce Rate Increases - JH CCIII  
**Project Name/Number:** 2019 Inforce Rate Increases - JH CCIII/

**Objection 13**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide a summary of the selection factors utilized in calculating the mortality assumptions.

**Objection 14**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please clarify whether adjustments have been made to the mortality tables to account for future mortality improvement. If so, please state the assumed level of future mortality improvement and provide support for the assumption.

**Objection 15**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please clarify whether adjustments have been made to the morbidity assumptions to account for future morbidity improvement. If so, please state the assumed level of future morbidity improvement and provide support for the assumption.

**Objection 16**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please identify the portion of the proposed rate increase that is attributed to each of the following components:

- a. Changes in the voluntary lapse assumptions
- b. Changes in the mortality assumptions
- c. Changes in the expected claim cost assumptions
- d. Changes in any other assumptions (e.g., interest rates)

**Objection 17**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide the full credibility standard used to determine the credibility of the experience of each policy series associated with this filing. Additionally, please provide the number of claims associated with each policy series

**Objection 18**

Comments: Please provide the current average attained policyholder age for the Virginia policyholders.

**Objection 19**

- L&H Actuarial Memorandum (Supporting Document)

Comments: For each subset of business used in the requested projections, please provide the # of policyholders for each subset of business.

**Objection 20**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please explain if any adjustments to mortality or morbidity factors were made for COVID-19. Please fully describe these adjustments.

**Objection 21**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please advise if there are any partnership policies issued to any of the remaining Virginia policyholders.

**State:** Virginia **Filing Company:** John Hancock Life Insurance Company (U.S.A.)  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2019 Inforce Rate Increases - JH CCIII  
**Project Name/Number:** 2019 Inforce Rate Increases - JH CCIII/

**Objection 22**

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please confirm that the assumptions being used in this filing are not any more conservative than used in asset adequacy testing.

**Objection 23**

- Product Checklist (Supporting Document)

Comments: Health Rate Review Requirements Checklist Complete or Complete Correct version

Please review, complete, sign and date the required Health Rate Review Requirements Checklist (New and Revised Rates). It can be obtained through SERFF at the following link:

<https://www.scc.virginia.gov/getattachment/fd3c447d-2431-4bb8-b905-fc42729ad287/lhratereview.pdf>

**Conclusion:**

We shall be glad to continue our review of this submission upon receipt of the requested information or resolution of the issues described above. Upon subsequent review, other concerns may require attention.

Please respond by the "Respond By Date:" above. If an extension is required, you must submit your request prior to that date. An extension may be requested for up to 30 days. Failure to respond will result in the filing being closed.

Once a submission has been closed, a new SERFF submission will be required. To expedite the review, the new submission should reference the SERFF tracking number of the prior submission and verify that all outstanding issues have been addressed. Should you wish to discuss any of the objections or provide additional information related to any of the objections, this should be done prior to making a new SERFF submission.

Sincerely,  
Bill Dismore

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)		
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified				
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII				
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/				

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	03/09/2023
Submitted Date	03/09/2023

Dear Bill Dismore,

### **Introduction:**

Thank you for your letter.

### **Response 1**

#### **Comments:**

We apologize for the confusion.

All of the materials in this submission are for John Hancock. The error of FORTIS in the footnote was a carryover from a template we use to create these statement of variables. The Statement of Variability GPO VA 2019 has been revised to remove FORTIS . The letters are correct with the company being John Hancock. The updated Statement of Variability GPO VA 2019, including a redline have been added to the Supporting Documentation.

To clarify the two Statement of Variability, there are two different packages (although very similar) to communicate with and without a inflation reduction percent option.

### **Related Objection 1**

Applies To:

- 3/7/23 Amendment (Supporting Document)

Comments: We are confused by the addition of two SOVs under the Supporting Documentation tab. (RL PHCOMM Statement of Vari GPO VA 2019 v9.pdf and RLTC PHCOMM\_Statement of Variability GPO VA 2019 v9.pdf). There is the same confusion created by the LS Cover Letter. It appears that one of each of the letters applies to John Hancock policies and the other letter applies to "Fortis" (see bottom of SOV page 1).

Please clarify these discrepancies. If there is a John Hancock letter and a Fortis letter, we must have a John Doe for each version.

### **Changed Items:**

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)		
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified				
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII				
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/				
<b>Supporting Document Schedule Item Changes</b>					
<b>Satisfied - Item:</b>	3/7/23 Amendment				
<b>Comments:</b>					
<b>Attachment(s):</b>	JD VA 2019 JHLTC GPO Pkg_v8.pdf JD_VA_JHLTC_LS_Package_v6.pdf R_L_PHCOMM_Statement of Vari LS Eligible_VA_2019 v9.pdf RLTC PHCOMM_Statement of Variability LS Eligible_VA_2019 v9.pdf RL_PHCOMM_Statement of Vari GPO_VA_2019 v10.pdf RLTC PHCOMM_Statement of Variability GPO_VA_2019 v10.pdf				
<i>Previous Version</i>					
<b>Satisfied - Item:</b>	3/7/23 Amendment				
<b>Comments:</b>					
<b>Attachment(s):</b>	JD VA 2019 JHLTC GPO Pkg_v8.pdf JD_VA_JHLTC_LS_Package_v6.pdf R_L_PHCOMM_Statement of Vari LS Eligible_VA_2019 v9.pdf RL_PHCOMM_Statement of Vari GPO_VA_2019 v9.pdf RLTC PHCOMM_Statement of Variability GPO_VA_2019 v9.pdf RLTC PHCOMM_Statement of Variability LS Eligible_VA_2019 v9.pdf				
<i>Previous Version</i>					
<b>Satisfied - Item:</b>	3/7/23 Amendment				
<b>Comments:</b>					
<b>Attachment(s):</b>	RLTC Policyholder_Statement of Variability_JHUSA_GPO_VA_2019 v8.pdf RLTC Policyholder_Statement of Variability_JHUSA_LS Eligible_VA_2019 v8.pdf JD VA 2019 JHLTC GPO Package_Final_v7_example_clean.pdf JD_VA_JHLTC_LS_Package_Final_v5.pdf				

**Conclusion:**

Should you have any additional questions or concerns, please do not hesitate to contact us.

Sincerely,

Michelle Fluet

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	03/08/2023
Submitted Date	03/08/2023

Dear Bill Dismore,

### **Introduction:**

Thank you for your letter and quick response.

### **Response 1**

#### **Comments:**

You are referencing "Fortis GPO PH Communication Package" - this is not a Fortis filing but a John Hancock Filing.

To assist in your review, we have provided redline SOVs and highlighted the addition on John Doe letters where the paragraph will be inserted.

Under About the Premium Increase the letter addresses the recent study which the rate increase being communicated is based on.

Your Premium Increase section includes information subsequent increases the PH may get. 1). Residual on any capped approval; 2) increase based on the 2022 study.

### **Related Objection 1**

Applies To:

- 3/7/23 Amendment (Supporting Document)

Comments: The SOV - Fortis GPO PH Communication Package appears out of sequence with the John Doe Letter in that the revised SOV pertains to the section under "About the Premium Increase". On the SOV it appears below the "Your Premium Increase Option".

Please provide a redline version of the current SOV to assist us reviewing the changes made to the revised SOV.

### **Changed Items:**

No Form Schedule items changed.

No Rate/Rule Schedule items changed.



<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	3/7/23 Amendment
<b>Comments:</b>	
<b>Attachment(s):</b>	JD VA 2019 JHLTC GPO Pkg_v8.pdf JD_VA_JHLTC_LS_Package_v6.pdf R_L_PHCOMM_Statement of Vari LS Eligible_VA_2019 v9.pdf RL_PHCOMM_Statement of Vari GPO_VA_2019 v9.pdf RLTC PHCOMM_Statement of Variability GPO_VA_2019 v9.pdf RLTC PHCOMM_Statement of Variability LS Eligible_VA_2019 v9.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	3/7/23 Amendment
<b>Comments:</b>	
<b>Attachment(s):</b>	RLTC Policyholder_Statement of Variability_JHUSA_GPO_VA_2019 v8.pdf RLTC Policyholder_Statement of Variability_JHUSA_LS Eligible_VA_2019 v8.pdf JD VA 2019 JHLTC GPO Package_Final_v7_example_clean.pdf JD_VA_JHLTC_LS_Package_Final_v5.pdf

## Response 2

### Comments:

To assist in your review, we have provided redline SOVs and highlighted the addition on John Doe letters where the paragraph will be inserted.

Under About the Premium Increase the letter addresses the recent study which the rate increase being communicated is based on.

Your Premium Increase section includes information subsequent increases the PH may get. 1). Residual on any capped approval; 2) increase based on the 2022 study.

## Related Objection 2

Applies To:

- 3/7/23 Amendment (Supporting Document)

Comments: The language in the John Doe letter that follows the "About The Premium Increase" section does not appear consistent with the SOV-VA JH-8470 Policyholder Cover Letter. For example the 2022 date is missing from the John Doe language.

Please provide a redline version of the original SOV and the proposed revised SOV and ensure that the John Doe letter follows the SOV language exactly.

## Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	3/7/23 Amendment
<b>Comments:</b>	
<b>Attachment(s):</b>	JD VA 2019 JHLTC GPO Pkg_v8.pdf JD_VA_JHLTC_LS_Package_v6.pdf R L_PHCOMM_Statement of Vari LS Eligible_VA_2019 v9.pdf RL_PHCOMM_Statement of Vari GPO_VA_2019 v9.pdf RLTC PHCOMM_Statement of Variability GPO_VA_2019 v9.pdf RLTC PHCOMM_Statement of Variability LS Eligible_VA_2019 v9.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	3/7/23 Amendment
<b>Comments:</b>	
<b>Attachment(s):</b>	RLTC Policyholder_Statement of Variability_JHUSA_GPO_VA_2019 v8.pdf RLTC Policyholder_Statement of Variability_JHUSA_LS Eligible_VA_2019 v8.pdf JD VA 2019 JHLTC GPO Package_Final_v7_example_clean.pdf JD_VA_JHLTC_LS_Package_Final_v5.pdf

**Conclusion:**

Should you have any additional questions or concerns, please do not hesitate to contact us.

Sincerely,

Michelle Fluet

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	02/22/2023
Submitted Date	02/22/2023

Dear Bill Dismore,

### **Introduction:**

Thank you for your letter.

### **Response 1**

#### **Comments:**

As requested, please find a John Doe letter with the proposed rates. As noted in our December 6, 2022 response, since inflation landing would not be available, the policyholder communication package "VA\_LS\_PH Communication 2019\_Final.pdf" would not be utilized as this package is only utilized for those policyholders who are eligible for an inflation reduction landing spot.

### **Related Objection 1**

Applies To:

- Sample Policyholder Communication Package (Supporting Document)

Comments: VA\_LS\_PH Communication 2019\_Final.pdf

VA\_GPO\_PH Communication 2019\_Final.pdf

Please provide these letters with the proposed rates in John Doe formats.

### **Changed Items:**

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

#### Supporting Document Schedule Item Changes

<b>Satisfied - Item:</b>	Sample Policyholder Communication Package
<b>Comments:</b>	We will be using the communications approved under SERFF Tracking Number MULF-132319248
<b>Attachment(s):</b>	VA_GPO_PH Communication 2019_Final.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Sample Policyholder Communication Package</i>
<b>Comments:</b>	<i>We will be using the communications approved under SERFF Tracking Number MULF-132319248</i>
<b>Attachment(s):</b>	<i>VA_LS_PH Communication 2019_Final.pdf VA_GPO_PH Communication 2019_Final.pdf</i>

#### Supporting Document Schedule Item Changes

<b>Satisfied - Item:</b>	Sample Policyholder Communication Package
<b>Comments:</b>	We will be using the communications approved under SERFF Tracking Number MULF-132319248
<b>Attachment(s):</b>	VA_GPO_PH Communication 2019_Final.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Sample Policyholder Communication Package</i>
<b>Comments:</b>	<i>We will be using the communications approved under SERFF Tracking Number MULF-132319248</i>
<b>Attachment(s):</b>	<i>VA_LS_PH Communication 2019_Final.pdf VA_GPO_PH Communication 2019_Final.pdf</i>

<b>Satisfied - Item:</b>	Response to 2/8/23 objection
<b>Comments:</b>	
<b>Attachment(s):</b>	JD VA 2019 JHLTC GPO Package example.pdf

#### Conclusion:

Should you have any additional questions or concerns please do not hesitate to contact us.

Sincerely,

Michelle Fluet

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)		
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified				
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII				
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/				

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	12/06/2022
Submitted Date	12/06/2022

Dear Bill Dismore,

### **Introduction:**

Thank you for your letter.

### **Response 1**

#### **Comments:**

Please find our response to your September 20, 2022 objection on the Supporting Documentation tab labeled as "Response to 9/20/22 objection".

### **Related Objection 1**

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: After continued review of the filing, discussions with the Chief Market Examiner, Bob Grissom, and review of the prior filing, the facts seem to be the same as those that lead to our disapproval of a related filing in 2017 (see SERFF filing MULF-131066194.)

As noted in that filing, the primary issue is in regards to the multiple set of rates for the policy forms. The Bureau allows insurers to file different rates for new issues of a policy form as long as the insurer can actuarially justify the new rate going forward while the rate for existing policyholders remains unchanged. Subsequent rate increases must apply to all insureds rather than just to certain blocks, as this would be unfairly discriminatory pursuant to § 38.2-508 of the Code. The exception to this would be that it would be acceptable to increase the rates for one block as long as its actuarially justified and the rates for that block do not exceed the rates for any other block of rates for policy form ICC10-LTC-11.

The other issue is that only part of the policy forms experience was used to support the rate increase. In filing for a rate increase, the experience of the entire form should be provided and it would need to be demonstrated to the Bureaus satisfaction that the rate increase for one block is justified while also demonstrating that the policy as a whole would still meet the minimum required standards. The company may provide a breakdown of the experience in various segments, but it would still need to provide the experience of the entire form rather than simply part of the data.

Acknowledging the uniqueness of this issue, please contact Bob Grissom at bob.grissom@scc.virginia.gov if you wish to discuss this matter further.

### **Changed Items:**

No Form Schedule items changed.

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

Rate/Rule Schedule Item Changes						
Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	Rate Table	ICC10-LTC-11	Revised	Previous State Filing Number: MULF-130894492 Percent Rate Change Request: 9.5	ICC10-LTC-11.pdf,	12/06/2022 By: Michelle Fluet
<i>Previous Version</i>						
1	Rate Table	ICC10-LTC-11	Revised	Previous State Filing Number: MULF-130894492 Percent Rate Change Request: 21.3	ICC10-LTC-11.pdf,	03/01/2022 By: Michelle Fluet

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 2019 CCIII Rate Summary.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 2019 CCIII Rate Summary.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 2019 CCIII Rate Summary.pdf

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

#### Supporting Document Schedule Item Changes

<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 2019 CCIII Rate Summary.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Long Term Care Insurance Rate Request Summary</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA 2019 CCIII Rate Summary.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Long Term Care Insurance Rate Request Summary</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA 2019 CCIII Rate Summary.pdf</i>

<b>Satisfied - Item:</b>	Statement of Variability
<b>Comments:</b>	No longer applicable.
<b>Attachment(s):</b>	
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Statement of Variability</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>SOV Inflation Endorsement Forms.pdf</i>

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

#### Supporting Document Schedule Item Changes

<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 2019 CCIII Rate Summary.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Long Term Care Insurance Rate Request Summary</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA 2019 CCIII Rate Summary.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Long Term Care Insurance Rate Request Summary</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA 2019 CCIII Rate Summary.pdf</i>

<b>Satisfied - Item:</b>	Statement of Variability
<b>Comments:</b>	No longer applicable.
<b>Attachment(s):</b>	
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Statement of Variability</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>SOV Inflation Endorsement Forms.pdf</i>

<b>Satisfied - Item:</b>	Response to 9/20/22 objection
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 9-20-22 VA CCIII Objection Response.pdf

#### Conclusion:

Should you have any additional questions or concerns, please do not hesitate to contact us.

Sincerely,

Michelle Fluet



<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/31/2022
Submitted Date	08/31/2022

Dear Bill Dismore,

### **Introduction:**

Thank you for your letter.

### **Response 1**

#### **Comments:**

Please find our response to your August 24, 2022 objection on the Supporting Documentation tab labeled as "Response to 8/24/22 objection".

### **Related Objection 1**

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide all SERFF Tracking #s for each of the following; (i) the date of approval of each form's initial rate approval, (ii) all rate increases for these forms filed with either the NAIC Compact and Virginia.

Please include pending, withdrawn and approved rate revision SERFF tracking numbers and include the Overall % rate increase requested for each filing.

The policy forms are:

1) ICC10-LTC-11 issued 6/2011 to 2/2013

2) ICC10-LTC-11 (2012) issued 10/2012 to 8/2014

3) ICC14 issued 7/2014 to 8/2015

### **Changed Items:**

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response to 8/24/22 objection
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 8-24-22 VA CCIII Objection Response.pdf ICC10-LTC-11 SERFF Filing History.xlsx

**Conclusion:**

*Should you have any additional questions or concerns, please do not hesitate to contact us.*

*Sincerely,*

*Michelle Fluet*

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
<hr/>					
<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)		
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified				
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII				
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/				

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/13/2022
Submitted Date	07/13/2022

Dear Bill Dismore,

### Introduction:

Thank you for your letter.

### Response 1

#### Comments:

Please find our response to your July 7, 2022 objection on the Supporting Documentation tab labeled as "Response to 7/7/22 objection".

### Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: After the approval of the original rates on March 4, 2011, the Company filed new business rates on two subsequent occasions; that is, filed revised rate schedules using the same policy form but applicable to new business only. The first set of new business rate schedules was approved on May 25, 2012, and the second set of new business rate schedules was approved on March 24, 2014. The Company has not previously received approval for any in-force rate increases on this form prior to this rate increase request. The Company has advised that the rate increase request is only applicable to the original set of rates and will not impact the 2012 or 2014 premium rate schedules.

In regards to the above and as requested in our objection letter under withdrawn VA filing, SERFF Tr. # MULF-131066194, please respond to the following:

1) Since the company has multiple premium rate schedules for the same policy form, pursuant to 14VAC5-200-153 B. 4. please provide a statement that renewal premium rate schedules are not greater than the new business premium rate schedules except for differences attributable to benefits, unless sufficient justification is provided to the VA Bureau of Insurance.

We request that the Company provide such statement and justify that the proposed premium rates are not greater than the two sets of new business rates approved on May 25, 2012 and March 24, 2014. In addition, provide justification that the proposed rate increase is not unfairly discriminatory pursuant to § 38.2-508 of the Virginia Insurance Code.

2) Please explain if the premium and claims experience was combined for the policy form utilized in all three sets of rates (2011, 2012, and 2014) or if the experience was restricted to the policies under the rates approved on March 4, 2011. Provide justification for the methodology used by the Company.

### Changed Items:

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response to 7/7/22 objection
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 7-7-22 CCIII Objection Response.pdf

**Conclusion:**

Should you have any additional questions or concerns, please do not hesitate to contact us.

Sincerely,

Michelle Fluet

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/08/2022
Submitted Date	06/08/2022

Dear Bill Dismore,

### Introduction:

Thank you for your letter.

### Response 1

#### Comments:

Please find our response to your June 7, 2022 objection on the Supporting Documentation tab labeled as "Response to 6/7/22 objection".

### Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please advise if Virginia has been withdrawn from filing MULF-132821167. If not, please explain how this filing impacts the VA rate request filing MULF-133155435. We are concerned that they are duplicate rate requests.

### Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response to 6/7/22 objection
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 6-7-22 CCIII Objection Response.pdf

### Conclusion:

Should you have any additional questions or concerns, please do not hesitate to contact us.

Sincerely,

Michelle Fluet

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/07/2022
Submitted Date	06/07/2022

Dear Bill Dismore,

### Introduction:

Thank you for your letter.

### Response 1

#### Comments:

Please find our response to your June 6, 2022 objection on the Supporting Documentation tab labeled as "Response to 6/6/22 objection".

### Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: If the proposed rate increase were to be approved as filed, please identify the specific triggers that would cause the company to file a future rate increase.

### Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response to 6/6/22 objection
<b>Comments:</b>	
<b>Attachment(s):</b>	6-6-22 VA CCIII Objection Response.pdf

### Conclusion:

Should you have any additional questions or concerns, please do not hesitate to contact us.

Sincerely,

Michelle Fluet

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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**State:** Virginia  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2019 Inforce Rate Increases - JH CCIII  
**Project Name/Number:** 2019 Inforce Rate Increases - JH CCIII/

**Filing Company:** John Hancock Life Insurance Company (U.S.A.)

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 06/03/2022  
 Submitted Date 06/03/2022

Dear Bill Dismore,

### Introduction:

Thank you for your letter.

### Response 1

#### Comments:

Please find our response to your May 31, 2022 objection on the Supporting Documentation tab labeled as "Response to 5/31/22 objection".

### Related Objection 1

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please explain why the company has not complied with 14VAC5-200-125 A. regarding Annual Rate Reports.

We were unable to locate a for annual rate report filed in Virginia for form ICC10-LTC-11 (Custom Care III).

### Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response to 5/31/22 objection
<b>Comments:</b>	
<b>Attachment(s):</b>	5-31-22 VA CCIII Objection Response.pdf Certification_CCIII.pdf VA CCIII filing package (for rate certification).pdf

### Conclusion:

Should you have any additional questions or concerns, please do not hesitate to contact us.

Sincerely,

Michelle Fluet

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/11/2022
Submitted Date	05/11/2022

Dear Bill Dismore,

### Introduction:

Thank you for your letter.

### Response 1

#### Comments:

Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".

### Related Objection 1

Applies To:

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: The company states that there were no prior rate increases on page 1. In the first paragraph on page two, the company states that there four rate increases in the past. We are curious how a rate increase was approved before the issue date of 6/11/2011. Please explain this discrepancy and correct as necessary.

### Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response to 3/14/22 objection
<b>Comments:</b>	
<b>Attachment(s):</b>	2022-03-14 VA CCIII Objection Response.pdf CCIII Selection Factors.xlsx Custom Care III Claim Counts.pdf VA CCIII Blended If-Knew Projections.xlsx VA CCIII loss ratio exhibit (2021).pdf VA CCIII loss ratio exhibit (split by BP and inflation).xlsx VA CCIII loss ratio exhibit (with formulas).xlsx VA CCIII loss ratio exhibit.pdf VA CCIII PPV Method Projections.xlsx 2019 CCIII Rate Increase Filing Summary.xls



<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Response to 3/14/22 objection
<b>Comments:</b>	
<b>Attachment(s):</b>	2022-03-14 VA CCIII Objection Response.pdf CCIII Selection Factors.xlsx Custom Care III Claim Counts.pdf VA CCIII Blended If-Knew Projections.xlsx VA CCIII loss ratio exhibit (2021).pdf VA CCIII loss ratio exhibit (split by BP and inflation).xlsx VA CCIII loss ratio exhibit (with formulas).xlsx VA CCIII loss ratio exhibit.pdf VA CCIII PPV Method Projections.xlsx 2019 CCIII Rate Increase Filing Summary.xls
<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 2019 CCIII Rate Summary.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Long Term Care Insurance Rate Request Summary</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA 2019 CCIII Rate Summary.pdf</i>

## Response 2

### Comments:

Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".

## Related Objection 2

Applies To:

- Long Term Care Insurance Rate Request Summary (Supporting Document)

Comments: The narrative does not summarize the key information used to develop the rates including the main drivers for the revised rates for this specific form. Please revise the narrative to comply.

### Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 2019 CCIII Rate Summary.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Long Term Care Insurance Rate Request Summary</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA 2019 CCIII Rate Summary.pdf</i>

### Response 3

#### Comments:

Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".

### Related Objection 3

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please explain why the historical data is not provided through 12/31/2021. The exhibits should be revised to show the historical data for the most recently completed year.

### Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

### Response 4

#### Comments:

Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".

### Related Objection 4

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
<hr/>					
<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)		
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified				
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII				
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/				

Comments: Please provide a thorough description of the past rate revision filings for the form ICC10-LTC-11. It appears that several past filings were made through the NAIC Compact. Please provide a summary of each filing by SERFF Tracking number.

**Changed Items:**

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

**Response 5**

**Comments:**

Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".

**Related Objection 5**

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide Exhibits in Excel with working formulas so that the calculations may be followed.

**Changed Items:**

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

**Response 6**

**Comments:**

Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".

**Related Objection 6**

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide in Excel format an exhibit showing the rate increase history and status of existing rate increase requests in each state, including the cumulative approved rate increase percentage and the in force annualized premium for each state as well as the nationwide total.

**Changed Items:**

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

### Response 7

#### Comments:

Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".

### Related Objection 7

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: For all projections requested in this question, the baseline should comply with the following:

- Any policies issued as limited-pay which are now in paid-up status should be removed, both from historical experience and future projections.
- Premiums should be at the Virginia rate level for both historical and projected future.
- Please use the appropriate maximum valuation interest rate for accumulation and discounting of this block.

### Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

### Response 8

#### Comments:

Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".

### Related Objection 8

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

*Comments: To assist the Virginia Bureau of Insurance in its review, for each of the subsets of the business corresponding to the combinations of Benefit Period, Elimination Period and Inflation Option, please provide in Excel format the following projections on a nationwide basis:*

- a. current assumptions and current rates*
- b. current assumptions with the proposed rate increase*
- c. current assumptions with premiums restated as if the proposed rate increase had been in effect from inception.*
- d. actual historical experience to the projection date and future projections based on the prior assumptions (to be used in the Prospective PV test).*
- e. original assumptions and original premiums from inception*

*Projections a. - e. can be separate tabs or combined into separate columns on the same exhibit.*

**Changed Items:**

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

*No Supporting Documents changed.*

**Response 9**

**Comments:**

*Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".*

**Related Objection 9**

*Applies To:*

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: For each subset of business used in the requested projections, please provide the active life reserve balance as of the projection date on a nationwide basis.*

**Changed Items:**

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

*No Supporting Documents changed.*

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
<hr/>					
<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)		
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified				
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII				
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/				

## Response 10

### Comments:

Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".

## Related Objection 10

Applies To:

- Rate Table, [ICC10-LTC-11] (Rate)
- L&H Actuarial Memorandum (Supporting Document)

Comments: We did not find the rider forms listed under the "Affected Form Numbers" in the Rate/Rule Schedule tab nor a description of these forms in the actuarial memorandum. Please explain.

### Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

## Response 11

### Comments:

Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".

## Related Objection 11

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide all projections required to compute the "Prospective PV" and the "If Knew/Makeup Blend" allowable increases as currently under consideration by the NAIC.

### Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

## Response 12

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

**Comments:**

Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".

**Related Objection 12**

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide a comparison of the assumptions associated with the proposed rate increase to the assumptions associated with the most recently approved rate filing. For those assumptions that have changed, please provide explanations for the changes.

**Changed Items:**

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

**Response 13**

**Comments:**

Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".

**Related Objection 13**

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please provide a summary of the selection factors utilized in calculating the mortality assumptions.

**Changed Items:**

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

**Response 14**

**Comments:**

Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".

**Related Objection 14**

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

*Applies To:*

- L&H Actuarial Memorandum (Supporting Document)

*Comments: Please clarify whether adjustments have been made to the mortality tables to account for future mortality improvement. If so, please state the assumed level of future mortality improvement and provide support for the assumption.*

#### **Changed Items:**

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

*No Supporting Documents changed.*

#### **Response 15**

##### **Comments:**

*Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".*

#### **Related Objection 15**

*Applies To:*

- L&H Actuarial Memorandum (Supporting Document)

*Comments: Please clarify whether adjustments have been made to the morbidity assumptions to account for future morbidity improvement. If so, please state the assumed level of future morbidity improvement and provide support for the assumption.*

#### **Changed Items:**

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

*No Supporting Documents changed.*

#### **Response 16**

##### **Comments:**

*Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".*

#### **Related Objection 16**

*Applies To:*

- L&H Actuarial Memorandum (Supporting Document)



<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

*Comments: Please identify the portion of the proposed rate increase that is attributed to each of the following components:*

- a. Changes in the voluntary lapse assumptions*
- b. Changes in the mortality assumptions*
- c. Changes in the expected claim cost assumptions*
- d. Changes in any other assumptions (e.g., interest rates)*

**Changed Items:**

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

*No Supporting Documents changed.*

**Response 17**

**Comments:**

*Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".*

**Related Objection 17**

*Applies To:*

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Please provide the full credibility standard used to determine the credibility of the experience of each policy series associated with this filing. Additionally, please provide the number of claims associated with each policy series*

**Changed Items:**

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

*No Supporting Documents changed.*

**Response 18**

**Comments:**

*Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".*

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

### **Related Objection 18**

*Comments: Please provide the current average attained policyholder age for the Virginia policyholders.*

### **Changed Items:**

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

*No Supporting Documents changed.*

### **Response 19**

#### **Comments:**

*Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".*

### **Related Objection 19**

*Applies To:*

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: For each subset of business used in the requested projections, please provide the # of policyholders for each subset of business.*

### **Changed Items:**

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

*No Supporting Documents changed.*

### **Response 20**

#### **Comments:**

*Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".*

### **Related Objection 20**

*Applies To:*

*- L&H Actuarial Memorandum (Supporting Document)*

*Comments: Please explain if any adjustments to mortality or morbidity factors were made for COVID-19. Please fully describe these adjustments.*

### **Changed Items:**

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

## Response 21

### Comments:

Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".

## Related Objection 21

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please advise if there are any partnership policies issued to any of the remaining Virginia policyholders.

## Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

## Response 22

### Comments:

Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".

## Related Objection 22

Applies To:

- L&H Actuarial Memorandum (Supporting Document)

Comments: Please confirm that the assumptions being used in this filing are not any more conservative than used in asset adequacy testing.

## Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

### Response 23

#### Comments:

Please find our response to your March 14, 2022 objection on the Supporting Documentation tab labeled as "Response to 3/14/22 objection".

### Related Objection 23

Applies To:

- Product Checklist (Supporting Document)

Comments: Health Rate Review Requirements Checklist Complete or Complete Correct version

Please review, complete, sign and date the required Health Rate Review Requirements Checklist (New and Revised Rates). It can be obtained through SERFF at the following link:

<https://www.scc.virginia.gov/getattachment/fd3c447d-2431-4bb8-b905-fc42729ad287/lhratereview.pdf>

#### Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

No Supporting Documents changed.

#### Conclusion:

Should you have any additional questions or concerns, please do not hesitate to contact us.

Sincerely,

Michelle Fluet

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)		
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified				
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII				
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/				

## Amendment Letter

Submitted Date: 03/07/2023

### Comments:

Per our call on 2/27/2023, we are providing updated John Doe versions of the policyholder communication package as well as revised Statements of Variability. As discussed, in order to be transparent, we want to add a sentence to the bracketed paragraph on the first page of the cover letter to indicate that we have completed a subsequent claim study in 2022 and that there will be a need to further rate increases. The new sentence reads as follows: “[In addition,] [We do want you to know], we completed a subsequent comprehensive claim study in 2022 which indicates that we will need to file for additional rate increases. As a result, we will be requesting further premium increases in the future.]] “. The statements of variability explain when this new language will be used.

We thank you for your consideration and for allowing us to include this in the filing. Should you have any questions or concerns, please do not hesitate to contact us.

### Changed Items:

*No Form Schedule Items Changed.*

*No Rate Schedule Items Changed.*

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	3/7/23 Amendment
<b>Comments:</b>	
<b>Attachment(s):</b>	RLTC Policyholder_Statement of Variability_JHUSA_GPO_VA_2019 v8.pdf RLTC Policyholder_Statement of Variability_JHUSA_LS Eligible_VA_2019 v8.pdf JD VA 2019 JHLTC GPO Package_Final_v7_example_clean.pdf JD_VA_JHLTC_LS_Package_Final_v5.pdf

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

## Amendment Letter

Submitted Date: 01/24/2023

Comments:

We are submitting this amendment in order to provide additional information for the Department to review.

Changed Items:

*No Form Schedule Items Changed.*

*No Rate Schedule Items Changed.*

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	Understanding Premium Rate Increases on Private LTCI Policyholders 060216.pdf VA CCIII Appendix E.pdf VA CCIII filing package.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>L&amp;H Actuarial Memorandum</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>VA CCIII filing package.pdf Understanding Premium Rate Increases on Private LTCI Policyholders 060216.pdf VA CCIII Appendix E.pdf</i>
<b>Satisfied - Item:</b>	1/24/23 Amendment
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 1-20-23 VA CCIII Amendment Letter.pdf VA CCIII rates comparison.xlsx

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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**State:** Virginia  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2019 Inforce Rate Increases - JH CCIII  
**Project Name/Number:** 2019 Inforce Rate Increases - JH CCIII/

**Filing Company:** John Hancock Life Insurance Company (U.S.A.)

## Amendment Letter

Submitted Date: 05/18/2022

Comments:

We are amending this submission in order to provide the requested checklist.

Changed Items:

*No Form Schedule Items Changed.*

*No Rate Schedule Items Changed.*

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Product Checklist
<b>Comments:</b>	
<b>Attachment(s):</b>	Long-Term-Care-New-Filing-Checklist_VA CCIII.pdf
<i>Previous Version</i>	
<b>Bypassed - Item:</b>	<i>Product Checklist</i>
<b>Bypass Reason:</b>	<i>Not applicable to this submission</i>
<b>Attachment(s):</b>	

<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

## Reviewer Note

**Created By:**

Bill Dismore on 05/25/2022 11:47 AM

**Last Edited By:**

Bill Dismore

## Submitted On:

05/05/2023 10:47 AM

**Subject:**

Actuarial Opinion &amp; Summary Report

**Comments:**

5/25/2022 - Received consulting actuary's opinion and summary report.

2/01/2023 - Rec'd confirmation from consulting actuary that revised rate increase passes all tests.



JOHN T. CONDO, FSA, MAAA, PHD  
DAVID E. NEVE, FSA, MAAA, CERA  
CANDE OLSEN, FSA, MAAA, CLU  
SHAWN D. PARKS, FSA, MAAA



NAZNEE RIAS, FSA, MAAA, CERA  
NICOLE L. RUSSO, ASA, MAAA  
LORNE W. SCHINBEIN, FSA, MAAA

May 25, 2022

Life and Health Division  
Bureau of Insurance  
State Corporation Commission  
P. O. Box 1157  
Richmond, VA 23218

Subject: **SERFF Tracking #MULF-133155435**

At the request of the Virginia SCC Bureau of Insurance (the “Bureau”), I have reviewed the filing for the above captioned submission from **John Hancock Life Insurance Company (U.S.A.)** (the “Company”). This is a rate increase filing for a block of Long Term Care Insurance.

### Recommendation

My review of this filing was performed according to the provisions of 14VAC5-200. Applicable Actuarial Standards of Practice were considered, including Actuarial Standard of Practice No. 18, “Long-Term Care Insurance” and Actuarial Standard of Practice No. 8, “Regulatory Filings for Rates and Financial Projections for Health Plans”. After review of the Company’s submission, I believe that the Company has demonstrated compliance with the laws and regulations for the block as a whole. However, if the block is segmented by inflation type, policies without inflation protection and those with compound inflation do not comply with the dual loss ratio test. My recommendation is ambivalent between two options: (1) approve the request as-is based on the block as a whole passing the test, or (2) approve the increases in the row below labeled “Compliant Increase under 14VAC5-200” by segment, including allowing the Company to increase their request on the CPI block from 19.5% to 21.0%.

### Other Extra-Regulatory Considerations

In addition to the regulatory analysis referenced above, I have reviewed a series of extra-regulatory tests that the Bureau considers for LTC rate filings. The maximum rate increase allowed under each of those tests is shown in the chart below:

<b>Inflation</b>	<b>None</b>	<b>Compound</b>	<b>CPI</b>	<b>Total</b>
Requested	31.1%	31.1%	19.5%	21.3%
Compliant Increase under 14VAC5-200	21.4%	28.1%	21.0%	21.3%
Future LR w/ALR	full	full	full	full
<b>Additional Test</b>	<b>Max Allowed</b>			
PV Future Loss	15.9%	26.9%	26.6%	full
Prospective PV				20.4%
If-Knew/Makeup				26.1%
State Equity				12.2%



## History and Details of Request

Policies under this form were issued from 2011 to 2013. One previous rate increase request was filed in 2017 for these policy forms but was withdrawn at the request of the Company. As of 12/31/2018, there were 326 policies in Virginia and 10,925 nationwide. The Company is requesting increases ranging from 19.5% to 31.1%, averaging 21.3%.

## Methodology

My approach was to a) review the submitted filing materials, b) check the filing contents and assumptions for compliance with all relevant regulations, c) verify the calculations in the supplied exhibits, d) review the projections for reasonableness, and e) analyze the current increase and cumulative increase in Virginia relative to other states.

## Assumptions

Assumptions are consistent with best estimate assumptions used for AG51 and GPV projections except that a shock lapse is included in the projections supporting this rate increase.

### Assumptions

*Morbidity* – the morbidity assumptions are derived from a comprehensive peer-reviewed claim study of Company experience through 2017; the A/E results shown in the actuarial memo show a very good match for incidence (99%), terminations (98%) and utilization (99%). Claims in the projections include a 10% margin for moderately adverse experience.

One often-quoted industry basis for measuring credibility is the June 12, 2003 letter from the American Academy of Actuaries Long-Term Care Reserving Work Group to the Accident and Health Working Group of the NAIC Life and Health Actuarial Task Force which recommended a “Rule of Thumb” standard for full credibility of incidence rates of 1,082 claims (within 5% of the true claims with 90% confidence). The letter also reports that the standard for aggregate loss is a multiple of the standard for incidence, in the range of 3 to 5 times (3,246 to 5,410 claims). While this particular form has only 68 claims through 2018, the Company’s combined experience data includes over 33,000 claims, which would give the data full credibility by this measure.

Original morbidity was based on the 1985 and 1995 NNHS, 1984 NHIS, and 1982 through 1994 NLTCs with adjustments to recognize insured versus population data.

*Voluntary Lapse* – the lapse assumptions vary by issue age and duration with minimums ranging from 0.38% to 0.99% for policies with inflation and from 0.54% to 1.67% with no inflation. The original assumptions did not vary by age and used 0.85% to 0.95% in years 11+. The A/E results are 99%-100% overall. In addition, a 0.6% shock lapse is assumed due to the rate increase based on experience of the Company with previous increases.

*Mortality* – 2012 Individual Annuitant Mortality Table with seven years of past improvement and adjustment factors which vary by plan, underwriting class, marital status, issue age, duration and gender, based on past experience. The A/E result for the period 2013 to 2017 was 101%.

### *Interest*

The original pricing interest rate was 4%. The average valuation rate of 3.9% is used for discounting.



## Justification for Rate Increase

This product has a feature that is unique to this product where the benefits increase at the rate of CPI rather than a fixed rate. The Company (outside of its agreement with the policyholder) entered into a swap arrangement with a third party to fix its costs for this option to 3.1%. The Company in previous filings and in marketing materials expressed its intent to insulate the policyholder from any change in experience due to change in the CPI. Because of this feature, the original pricing loss ratio has been adjusted to reverse the impact of actual CPI different from the assumed 3.1%. Due to additional hedge purchases in 2019, the average cost of these swaps was reduced, and the Company has reflected those savings in their projections. Based on the explanation and demonstration of the operation of this adjustment in the prior filing, I am comfortable with the approach that the Company has used. The end result is that the original loss ratio of 64.9% was adjusted for CPI, change in valuation rate, and change in mix of business to be 61.2%. This rate was then used in place of 58% in the 58/85 test.

The loss ratio results are as follows:

Benefit Period	Inflation	Original LR	No increase Fut/ALR	Lifetime	w/ increase Fut/ALR	Lifetime	14VAC5 Test	Allowed
1-5 yrs	None	59%	78%	65%	62%	57%	FAIL	16.1%
1-5 yrs	Compound	64%	88%	73%	70%	63%	FAIL	21.7%
1-5 yrs	CPI	59%	86%	65%	73%	59%	FAIL	15.0%
6-10 yrs	None	58%	96%	77%	76%	67%	PASS	
6-10 yrs	Compound	62%	108%	82%	85%	71%	PASS	
6-10 yrs	CPI	60%	108%	79%	93%	72%	PASS	
	None	59%	81%	67%	65%	59%	FAIL	21.4%
	Compound	63%	91%	75%	72%	65%	FAIL	28.1%
	CPI	59%	96%	68%	82%	62%	PASS	
		<b>59%</b>	<b>94%</b>	<b>68%</b>	<b>80%</b>	<b>62%</b>	<b>PASS</b>	

Because the Company set the rate increase to exactly meet the 14VAC5-200-153 C test in the aggregate and is not varying the rate increase by benefit period, some segments have shortfalls and some have excesses. My inclination is to allow this aggregate approach. If the Bureau wants to enforce the test to pass on each segment, then the increase on shorter benefit periods would need to be restricted.

## PV of Future Loss Test

Period	Inflation	Original	Current	Proposed	Request	Limit
1-5 yrs	None	(1.1M)	(3.3M)	2.6M	31.1%	11.9%
1-5 yrs	Compound	(0.8M)	(2.9M)	0.3M	31.1%	20.2%
1-5 yrs	CPI	(2.8M)	(41.6M)	(6.0M)	19.5%	n/a
6-10 yrs	None	0.0M	(1.4M)	(0.1M)	31.1%	n/a
6-10 yrs	Compound	(0.0M)	(1.6M)	(0.6M)	31.1%	n/a
6-10 yrs	CPI	0.7M	(21.2M)	(12.4M)	19.5%	n/a
	None	(1.0M)	(4.7M)	2.5M	31.1%	15.9%
	Compound	(0.8M)	(4.5M)	(0.3M)	31.1%	26.9%
	CPI	(2.1M)	(62.8M)	(18.4M)	19.5%	n/a
		<b>(4.0M)</b>	<b>(72.0M)</b>	<b>(16.2M)</b>	<b>21.3%</b>	<b>n/a</b>



For this analysis, I compared the present value of expected future loss under three scenarios: 1) original assumptions; 2) current assumptions and current premiums; and 3) current assumptions and proposed premiums. The highlighted cells above show that certain segments do not pass the requirements.

### **Prospective PV Approach**

I have reviewed the data provided by the Company supporting this method and believe it follows the guidance of the NAIC LTC Pricing Subgroup. The allowable rate increase under this method is 20.4% in aggregate.

### **If-Knew/Makeup Blend Approach**

The Company did not provide the percentage of remaining policyholders for this block to use in the calculation. However, based on the projections, I can conservatively estimate that there are at least 80% of the original policies remaining. Using that estimate, the allowable rate increase under this method would be 26.1%.

### **State Rate Equity**

The statistics related to rate actions in all states are presented in the table below.

NW Range	NW Avg	NW Prop	VA Curr	VA Prop	Allowed
0%-24%	12%	12%	0%	21%	12%

### **Reliance and Qualifications**

I am providing this letter to the Bureau as the sole intended user. The scope of the review relates only to compliance with applicable laws and regulations relating to the actuarial aspects of the filing under consideration, and the intended purpose is to communicate my findings regarding this filing. Distribution of this letter to parties other than the Bureau by me or any other party does not constitute advice by me to those parties. The reliance of parties other than the Bureau on any aspect of this work is not authorized by me and is done at their own risk.

In arriving at my opinion, I used and relied on information provided by the Company and the Bureau without independent investigation or verification. If this information is inaccurate, incomplete, or out of date, my findings and conclusions may need to be revised. While I have relied on the data provided without independent investigation or verification, I have reviewed the data for consistency and reasonableness. In the event that I found the data inconsistent or unreasonable, I have requested clarification.

I am a member of the American Academy of Actuaries and meet that body's Qualification Standards to render this opinion. I am responsible for this work and have utilized generally accepted actuarial methodologies in arriving at my opinion.



If you have any questions regarding this filing, please contact me to discuss.

Sincerely,



Shawn D. Parks, FSA, MAAA

## Bill Dismore

---

**From:** Shawn Parks <[shawn.parks@arcga.com](mailto:shawn.parks@arcga.com)>  
**Sent:** Wednesday, February 1, 2023 12:24 PM  
**To:** Bill Dismore  
**Subject:** RE: John Hancock Life Insurance Company (USA) LTC Rate Increase - SERFF # MULF-133155435

I believe that is what is demonstrated in the file "VA CCIII rates comparison.xlsx".

---

**From:** Bill Dismore  
**Sent:** Wednesday, February 1, 2023 12:23 PM  
**To:** Shawn Parks <[shawn.parks@arcga.com](mailto:shawn.parks@arcga.com)>  
**Subject:** RE: John Hancock Life Insurance Company (USA) LTC Rate Increase - SERFF # MULF-133155435

Shawn, are you comfortable that the rate increases requested for these forms do not exceed the rates on the later issued policy forms?

Bill Dismore, APIR  
Senior Insurance Market Examiner  
Life and Health Division  
Bureau of Insurance  
T: (804) 371-9370  
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**From:** Shawn Parks <[shawn.parks@arcga.com](mailto:shawn.parks@arcga.com)>  
**Sent:** Wednesday, February 1, 2023 11:07 AM  
**To:** Bill Dismore <[Bill.Dismore@scc.virginia.gov](mailto:Bill.Dismore@scc.virginia.gov)>  
**Subject:** RE: John Hancock Life Insurance Company (USA) LTC Rate Increase - SERFF # MULF-133155435

Bill,  
I have reviewed the information in your emails and the newly-submitted information in the filing. Since the revised rate increases are less than amounts that I had recommended approval in May 2022, I don't see any actuarial reason that this lower increase should not be approved.  
Shawn

---

**From:** Bill Dismore  
**Sent:** Friday, January 20, 2023 10:55 AM  
**To:** Shawn Parks <[shawn.parks@arcga.com](mailto:shawn.parks@arcga.com)>  
**Subject:** RE: John Hancock Life Insurance Company (USA) LTC Rate Increase - SERFF # MULF-133155435

Shawn,

The company has three sets of rates for policy form ICC10-LTC-11 that varies based upon the dates of issue. Below are the two primary issues:

the primary issue is in regards to the multiple set of rates for the policy forms. The Bureau allows insurers to file different rates for new issues of a policy form as long as the insurer can actuarially justify the new rate going forward while the rate for existing policyholders remains unchanged. Subsequent rate increases must apply to all insureds rather than just to certain blocks, as this would be unfairly discriminatory pursuant to § 38.2-508 of the Code. The exception to this would be that it would be acceptable to increase the rates for one block as long as its actuarially justified and the rates for that block do not exceed the rates for any other block of rates for policy form ICC10-LTC-11.

The other issue is that only part of the policy forms experience was used to support the rate increase. In filing for a rate increase, the experience of the entire form should be provided and it would need to be demonstrated to the Bureau's satisfaction that the rate increase for one block is justified while also demonstrating that the policy as a whole would still meet the minimum required standards. The company may provide a breakdown of the experience in various segments, but it would still need to provide the experience of the entire form rather than simply part of the data.

The company responded to the above with the following (see 12/06/2022 Objection Letter Response):

Thank you for taking the time to review and discuss our filing. Following our recent conversation, while we do not agree with the state's position, we would like to move forward by proposing rate increases for the initial CCIII block that would bring the premiums in line with the CCIII (2012) block, the new business rates for which were approved in June of 2012. This results in an average rate increase of 9.5% compared to the originally filed actuarially justified average rate increase of 21.3%. Inflation reduction landing spots, the Shared Cost Option, and the voluntary Enhanced Nonforfeiture Option would not be available to policyholders.

So far all they have submitted were revised rate schedules reflecting the average rate increase of 9.5%. I have asked them for a revised actuarial memorandum and supporting documentation in support of their revision but so far have only received their Long-Term Care Rate Review Summary reflecting the 9.5% average rate increase.

I believe the company maintains that their original supporting data stands but the average rate increase is reduced so that the rates of the oldest block does not exceed the rates of the newest issued block.

If you have questions for the company and need additional data, let's go ahead and request it through an objection letter so you have all the information you need.

Kind regards,

Bill Dismore, APIR  
Senior Insurance Market Examiner  
Life and Health Division  
Bureau of Insurance  
T: (804) 371-9370  
scc.virginia.gov



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**From:** Shawn Parks <[shawn.parks@arcga.com](mailto:shawn.parks@arcga.com)>  
**Sent:** Friday, January 20, 2023 10:35 AM  
**To:** Bill Dismore <[Bill.Dismore@scc.virginia.gov](mailto:Bill.Dismore@scc.virginia.gov)>  
**Subject:** RE: John Hancock Life Insurance Company (USA) LTC Rate Increase - SERFF # MULF-133155435

Bill,  
Can you clarify whether any new financial data has been submitted that I am to evaluate? I am not an expert on how the Bureau enforces the anti-discrimination statutes, so not sure I can shed any light there.  
Shawn

---

**From:** Bill Dismore  
**Sent:** Friday, January 20, 2023 9:31 AM  
**To:** Shawn Parks, FSA, MAAA ([SHAWN.PARKS@ARCGA.COM](mailto:SHAWN.PARKS@ARCGA.COM)) <[SHAWN.PARKS@ARCGA.COM](mailto:SHAWN.PARKS@ARCGA.COM)>  
**Subject:** John Hancock Life Insurance Company (USA) LTC Rate Increase - SERFF # MULF-133155435

Shawn,

Please take another look at this filing and provide any questions necessary to provide an updated Summary & Opinion Report. If possible, I am requesting a review by date of 2/6/2023. Please let me know if more time is needed. Let me know if you have any questions and would like to discuss this over the phone.

This is a unique filing in that the initial filing for three different policy forms were filed with the NAIC Compact.

The BOI sent an objection to the company (see below):

***After continued review of the filing, discussions with the Chief Market Examiner, Bob Grissom, and review of the prior filing, the facts seem to be the same as those that lead to our disapproval of a related filing in 2017 (see SERFF filing MULF-131066194.)***

***As noted in that filing, the primary issue is in regards to the multiple set of rates for the policy forms. The Bureau allows insurers to file different rates for new issues of a policy form as long as the insurer can actuarially justify the new rate going forward while the rate for existing policyholders remains unchanged. Subsequent rate increases must apply to all insureds rather than just to certain blocks, as this would be unfairly discriminatory pursuant to § 38.2-508 of the Code. The exception to this would be that it would be acceptable to increase the rates for one block as long as its actuarially justified and the rates for that block do not exceed the rates for any other block of rates for policy form ICC10-LTC-11.***

***The other issue is that only part of the policy forms experience was used to support the rate increase. In filing for a rate increase, the experience of the entire form should be provided and it would need to be demonstrated to the Bureau's satisfaction that the rate increase for one block is justified while also demonstrating that the policy as a whole would still meet the minimum required standards. The company may provide a breakdown of the experience***



***in various segments, but it would still need to provide the experience of the entire form rather than simply part of the data.***

#### Background

The policy forms are:

- 1) ICC10-LTC-11 issued 6/2011 to 2/2013
- 2) ICC10-LTC-11 (2012) issued 10/2012 to 8/2014
- 3) ICC14 issued 7/2014 to 8/2015

*After the approval of the original rates on March 4, 2011, the Company filed new business rates on two subsequent occasions; that is, **filed revised rate schedules using the same policy form but applicable to new business only**. The first set of new business rate schedules was approved on May 25, 2012, and the second set of new business rate schedules was approved on March 24, 2014. The Company has not previously received approval for any in-force rate increases on this form prior to this rate increase request. The Company has advised that the rate increase request is only applicable to the original set of rates and will not impact the 2012 or 2014 premium rate schedules.*

John Hancock continues to take the position that each policy form represents a separate block of business and should not be combined and that the experience of each block was used to provide support for their rate increase independently and were not combined.

Policy Form & Issue Dates	SERFF Filings	Compact/State	% Request	Approval Date	
ICC10-LTC-11, 06/2011 - 02/2013	MULF-126926684	Compact	n/a	3/4/2011	Original filing of the form and rates
	MULF-130894492	Compact	19.4%	n/a	Rate Increase Filing - Compact Advi
	MULF-131066194	VA	19.4%	n/a	Rate Increase Filing - The same rate
	MULF-133155435	VA	21.3%		Rate Increase Filing - This revised r
ICC10-LTC-11 (2012), 10/2012 - 08/2014	MULF-128151710	Compact	n/a	6/11/2012	Revised new business rates were s
	MULF-131640946	Compact	14.3%	n/a	Rate Increase Filing - Filed with the
	MULF-132821167	Compact	23.0%		Rate Increase Filing - Filed with the
ICC10-LTC-11 (2014), 07/2014 - 08/2015	MULF-128151710	Compact	n/a	4/4/2014	Original filing of the form and rates
	MULF-128151710	Compact	n/a		Rate Certification to attest that rate

The company withdrew the filing (SERFF # **MULF-131066194**) that was DISAPPROVED when the company did not address the objection cited below which applies to policy form ICC10-LTC-11.

08/29/2017 09:10 AM

The submission is DISAPPROVED and may not be used in the Commonwealth of Virginia.

Per our recent conversations with the company, it is our understanding there are three sets of rates for the ICC10-LTC-11 policy form which is now a closed block. Rates were approved in 2011, 2012, and 2014.

The primary issue is in regards to the multiple set of rates for the policy forms. The Bureau allows insurers to file different rates for new issues of a policy form as long as the insurer can actuarially justify the new rate going forward while the rate for existing policyholders remains unchanged. Subsequent rate increases must apply to all insureds rather than just to certain blocks, as this would be unfairly discriminatory pursuant to § 38.2-508 of the Code. The exception to this would be that it would be acceptable to increase the rates for one block as long as the rates for that block do not exceed the rates for any other block as set forth in 14VAC5-200-153 B 4.

The other issue is that only part of the policy forms experience was used to support the rate increase. In filing for a rate increase, the experience of the entire form should be provided. The company may also provide a breakdown of the

experience in various segments, but it would still need to provide the experience of the entire form rather than simply part of the data.

Please revise the filing accordingly.

Sincerely,

Janet Houser

#### The Issue

The primary issue is in regards to the multiple set of rates for the policy forms. The Bureau allows insurers to file different rates for new issues of a policy form as long as the insurer can actuarially justify the new rate going forward while the rate for existing policyholders remains unchanged. Subsequent rate increases must apply to all insureds rather than just to certain blocks, as this would be unfairly discriminatory pursuant to § 38.2-508 of the Code. The exception to this would be that it would be acceptable to increase the rates for one block as long as the rates for that block do not exceed the rates for any other block as set forth in 14VAC5-200-153 B 4.

The other issue is that only part of the policy forms experience was used to support the rate increase. In filing for a rate increase, the experience of the entire form should be provided. The company may also provide a breakdown of the experience in various segments, but it would still need to provide the experience of the entire form rather than simply part of the data.

The company has pushed back on the above objection when it was raised again in this current filing MULF-133155435. Their objection response letter of 7/7/2022 is attached. To summarize, the company's position is:

***The product was repriced with design changes and subsequent rates were approved by the Compact in 2012, and then again in 2014. These rates were distinct from the original rates and different Moderately Adverse Filing margins were reflected. We believe it is not discriminatory but is appropriate for the experience of these blocks to be reviewed separately and to have different margin triggers and different histories. As a result, rate increases are separately determined and separately actuarially justified.***

If the forms are different (design changes, different moderately adverse filing margins) is the BOI correct to assert the filing does not meet the statute § 38.2-508 Unfair Discrimination? Please confirm that this is the statute that you wish me to cite to "DISAPPROVE" this filing.

Bill Dismore, APIR  
Senior Insurance Market Examiner  
Life and Health Division  
Bureau of Insurance  
T: (804) 371-9370  
scc.virginia.gov



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**From:** Bill Dismore  
**Sent:** Wednesday, May 25, 2022 12:52 PM  
**To:** Shawn Parks <[shawn.parks@arcga.com](mailto:shawn.parks@arcga.com)>  
**Subject:** RE: John Hancock Life Insurance Company (USA) LTC Rate Increase - SERFF # MULF-133155435

Thank you Shawn.

Bill Dismore, APIR  
Senior Insurance Market Examiner  
Life and Health Division  
Bureau of Insurance  
T: (804) 371-9370  
[scc.virginia.gov](http://scc.virginia.gov)



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**From:** Shawn Parks <[shawn.parks@arcga.com](mailto:shawn.parks@arcga.com)>  
**Sent:** Wednesday, May 25, 2022 12:39 PM  
**To:** Bill Dismore <[Bill.Dismore@scc.virginia.gov](mailto:Bill.Dismore@scc.virginia.gov)>  
**Subject:** RE: John Hancock Life Insurance Company (USA) LTC Rate Increase - SERFF # MULF-133155435

Bill,  
My review is attached.  
Shawn

---

**From:** Bill Dismore  
**Sent:** Wednesday, May 11, 2022 2:10 PM  
**To:** Shawn Parks, FSA, MAAA ([SHAWN.PARKS@ARCGA.COM](mailto:SHAWN.PARKS@ARCGA.COM)) <[SHAWN.PARKS@ARCGA.COM](mailto:SHAWN.PARKS@ARCGA.COM)>  
**Subject:** John Hancock Life Insurance Company (USA) LTC Rate Increase - SERFF # MULF-133155435

Good afternoon Shawn.

Please accept this assignment to provide an actuarial review and opinion of the company's rate increase request ranging from 19.5% to 31.1% for an overall % rate impact of 21.3%.

You reviewed a prior filing by the company under SERFF # MULF-131066194 which was withdrawn.

I have requested an initial review by date for 5/26/2022.

Let me know if you have any questions,

Kind regards,

Bill Dismore, APIR  
Senior Insurance Market Examiner  
Life and Health Division  
Bureau of Insurance  
T: (804) 371-9370  
[scc.virginia.gov](http://scc.virginia.gov)



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**SERFF Tracking #:** MULF-133155435    **State Tracking #:** MULF-133155435

**Company Tracking #:** 2019 INFORCE RATE  
INCREASE - JH CCIII

**State:** Virginia    **Filing Company:** John Hancock Life Insurance Company (U.S.A.)  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2019 Inforce Rate Increases - JH CCIII  
**Project Name/Number:** 2019 Inforce Rate Increases - JH CCIII/

## Reviewer Note

**Created By:**

Bill Dismore on 05/11/2022 01:11 PM

**Last Edited By:**

Bill Dismore

**Submitted On:**

05/05/2023 10:41 AM

**Subject:**

RRS

**Comments:**

Rate Review Summary

**Long Term Care Insurance Rate Request Summary  
Part 1 – To Be Completed By Company**

**Company Name and NAIC Number:** John Hancock Life Insurance Company (U.S.A), 69477

**SERFF Tracking Number:** MULF-133155435

**Revised Rates**

**Average Annual Premium Per Member:** \$2,836

**Average Requested Percentage Rate Change Per Member:** 9.5%

**Range of Requested Rate Changes:** 0.5% to 24.6%

**Number of Virginia Policyholders Affected** 326

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
ICC10-LTC-11	Custom Care III	June 2011 - Feb 2013	None	Due to the capped approval if the requested premium rate schedule increase is implemented and the underlying assumptions are realized, additional rate increases will be necessary to achieve the full actuarially justified request based on the Lifetime Loss Ratio.

**Attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.**

This document is prepared by the carrier to help explain the requested rate change and is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. (Rev. 06/19)

## **Summary of the John Hancock's 2019 Rate Increase Request**

### **John Hancock Life Insurance Custom Care III Policy Series**

When pricing a long-term care insurance product, insurance companies use the best available information at that time to predict how many policyholders might ultimately use the benefit in the future. This involves making certain assumptions about a variety of factors including: particular medical conditions, the expected lifespan of policyholders, the length of time policyholders keep their policies, and the cost of receiving long-term care services. If the actual experience differs in an unfavorable way from the expected experience based on these assumptions, a premium rate increase may become necessary.

John Hancock continuously monitors the experience of our in-force LTC insurance policies. Our most recent analysis demonstrates that claims continue to last longer than expected. Unfortunately, based on that data, we have determined that there is a need to increase premiums so we can meet our future claims obligations.

The main drivers used to develop the revised rates for the ICC10-LTC-11 policy series are a result of our 2019 experience study. This comprehensive study is generally conducted every three years and examines the usage trend for our insured population. The study results show lower than expected claim terminations during the elimination/waiting period, partially offset by favorable incidence as policyholders are filing claims at a lower rate than expected. In short, we anticipate having to pay more claims in the future than previously expected.

Increases will vary by issue age, inflation, benefit period, policy series, and state. The filing will vary by state based on the amount and timing of prior increases that we were permitted to implement in that state. In this way, policyholders are not subsidizing policyholders in other states.

In Virginia, on our John Hancock Life Insurance Company block of business, we are requesting an average rate increase of 9.5% which ranges from 0.5% to 24.6%. This includes the Custom Care III policy form.

No individual has been singled out for an increase, nor is the increase due to a policyholder's advancing age or changing health. John Hancock's decision to increase premiums on certain policies is based upon the future claims anticipated on these policies.

There will be a number of benefit adjustment options to help keep premiums at or close to their current level. For example, customers can reduce their benefit period, adjust their daily/monthly benefit amount, extend their elimination period, or drop riders from their coverage.

After the rate increase is accepted by the Virginia Insurance Department, affected policyholders will be provided with an extensive and personalized notification communication at least 90 days prior to the effective date, which will describe the increase and options available to mitigate the impact of the rate increase. In addition, customer support will be available through a dedicated customer service team in order to help our policyholders navigate through their choices and respond to any questions.

***Part 2 - Long Term Care Insurance Rate Request Summary***

**Completed by the Bureau of Insurance (Bureau) of the Virginia State Corporation Commission**

---

Company Name and NAIC Number: John Hancock Life Insurance Company (U.S.A); NAIC# 65838

SERFF Tracking Number: MULF-133155435

Disposition: Approved & Filed

Approval Date: 5/05/2023]

Current Average Annual Premium Per Member: \$2,836

**Rate Changes:**

Average Percentage Rate Change Per Member: 9.5%

Minimum Requested Percentage Rate Change Per Member: 0.5%

Maximum Requested Percentage Rate Change Per Member: 24.6%

Number of Virginia Policy Holders Affected: 326

**Summary of the Bureau's review of the rate request:**

The Company requested a 21.3% rate increase on this block of individual long-term care insurance policy forms. However, after discussion with the Bureau, the increase was reduced to 9.5%.

The Bureau and its consulting actuary reviewed the documentation and determined that this rate increase complies with the regulatory and actuarial requirements for a rate increase as set forth in 14VAC5-200-153 of the Virginia Administrative Code. The review indicated that the anticipated lifetime loss ratio after the increase will be 61.5%, which exceeds the minimum required loss ratio of 60%.

While the Company has advised that they are likely to file for additional rate increases in the future, these will first need to be filed for review and approval with the Bureau.

The primary reasons for the rate increase are that policyholders are living longer and keeping their policies in force longer, which has resulted in more claims being filed than the Company anticipated when the policy was originally priced. The Company determined that a premium increase is necessary to reflect that future claims are expected to be significantly higher on these policies than originally expected or priced and to ensure that sufficient funds are available to pay claims.

The Company is offering all policyholders options to reduce the premium increase by reducing their coverage. These reductions could be in the form of lower daily benefits, a shorter benefit period, a longer elimination period, the termination of riders or any combination of these reductions, or a paid-up policy. Specific options are included in the letter sent to all



policyholders notifying them of the rate increase and can be discussed with the Company by calling its customer service department.

The filing can be reviewed on the Bureau's webpage under the Rate/Policy Form Search at:  
<https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx>

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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**State:** Virginia  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** 2019 Inforce Rate Increases - JH CCIII  
**Project Name/Number:** 2019 Inforce Rate Increases - JH CCIII/

**Filing Company:** John Hancock Life Insurance Company (U.S.A.)

## Rate Information

Rate data applies to filing.

**Filing Method:** Review & Approval  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** %  
**Effective Date of Last Rate Revision:**  
**Filing Method of Last Filing:** Review & Approval  
**SERFF Tracking Number of Last Filing:** MULF-131066194

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
John Hancock Life Insurance Company (U.S.A.)	21.300%	9.500%	\$80,216	326	\$843,571	24.600%	0.500%

<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Rate Table	ICC10-LTC-11	Revised	Previous State Filing Number: MULF-130894492 Percent Rate Change Request: 9.5	ICC10-LTC-11.pdf,

**Appendix B1**  
**John Hancock Life Insurance Company (U.S.A.)**  
**ICC10-LTC-11**  
*Premiums to be used only with those*  
*that have not previously elected an inflation decrease option*  
**Standard rates per \$10 of Daily Coverage**  
**90 Day Elimination Period**

Age	GPO Inflation						CPI Compound Inflation						CPI Inflation to 75					
	Benefit Period						Benefit Period						Benefit Period					
	2 Years	3 Years	4 Years	5 Years	6 Years	10 Years	2 Years	3 Years	4 Years	5 Years	6 Years	10 Years	2 Years	3 Years	4 Years	5 Years	6 Years	10 Years
18-29	25.00	29.00	29.00	31.00	32.00	45.00	70.00	85.00	91.00	95.00	98.00	131.00	57.00	68.00	74.00	78.00	81.00	108.00
30	26.00	31.00	31.00	33.00	34.00	47.00	74.00	89.00	96.00	100.00	103.00	138.00	60.00	72.00	78.00	82.00	85.00	114.00
31	27.00	32.00	32.00	34.00	35.00	49.00	75.00	90.00	98.00	102.00	105.00	140.00	61.00	73.00	79.00	83.00	86.00	116.00
32	28.00	33.00	34.00	36.00	37.00	50.00	76.00	92.00	100.00	104.00	106.00	143.00	62.00	74.00	81.00	85.00	87.00	118.00
33	28.00	34.00	35.00	37.00	38.00	52.00	78.00	93.00	101.00	105.00	108.00	145.00	63.00	75.00	82.00	86.00	89.00	120.00
34	29.00	35.00	37.00	39.00	40.00	54.00	79.00	94.00	103.00	107.00	110.00	148.00	63.00	76.00	83.00	87.00	90.00	122.00
35	30.00	36.00	38.00	40.00	42.00	56.00	80.00	96.00	105.00	109.00	112.00	150.00	64.00	77.00	85.00	89.00	91.00	124.00
36	31.00	37.00	40.00	42.00	43.00	58.00	82.00	97.00	107.00	111.00	114.00	152.00	65.00	78.00	86.00	90.00	93.00	126.00
37	32.00	38.00	41.00	44.00	45.00	60.00	83.00	99.00	109.00	113.00	116.00	155.00	66.00	80.00	88.00	92.00	94.00	128.00
38	33.00	40.00	43.00	45.00	47.00	62.00	84.00	100.00	111.00	115.00	118.00	158.00	67.00	81.00	89.00	93.00	95.00	130.00
39	34.00	41.00	45.00	47.00	49.00	65.00	86.00	102.00	113.00	117.00	120.00	160.00	68.00	82.00	90.00	94.00	97.00	132.00
40	35.00	42.00	47.00	49.00	51.00	67.00	87.00	103.00	115.00	119.00	122.00	163.00	69.00	83.00	92.00	96.00	98.00	134.00
41	36.00	44.00	49.00	51.00	53.00	70.00	89.00	105.00	117.00	121.00	124.00	166.00	70.00	85.00	94.00	98.00	100.00	137.00
42	38.00	46.00	51.00	53.00	56.00	74.00	90.00	107.00	119.00	124.00	127.00	170.00	72.00	86.00	95.00	100.00	102.00	140.00
43	39.00	48.00	53.00	56.00	58.00	77.00	92.00	109.00	121.00	126.00	129.00	174.00	73.00	88.00	97.00	102.00	104.00	142.00
44	41.00	50.00	55.00	58.00	60.00	81.00	94.00	112.00	123.00	128.00	131.00	177.00	75.00	89.00	99.00	104.00	106.00	145.00
45	43.00	52.00	58.00	61.00	63.00	85.00	96.00	114.00	125.00	131.00	134.00	181.00	76.00	91.00	101.00	106.00	108.00	148.00
46	44.00	55.00	60.00	63.00	66.00	89.00	97.00	116.00	127.00	133.00	136.00	185.00	78.00	93.00	102.00	108.00	110.00	151.00
47	46.00	57.00	63.00	66.00	69.00	93.00	99.00	119.00	129.00	136.00	139.00	189.00	79.00	95.00	104.00	110.00	113.00	154.00
48	48.00	60.00	65.00	69.00	72.00	97.00	101.00	121.00	132.00	139.00	142.00	193.00	81.00	96.00	106.00	112.00	115.00	158.00
49	50.00	62.00	68.00	72.00	75.00	102.00	103.00	123.00	134.00	141.00	144.00	197.00	82.00	98.00	108.00	114.00	117.00	161.00
50	52.00	65.00	71.00	75.00	78.00	107.00	105.00	126.00	136.00	144.00	147.00	201.00	84.00	100.00	110.00	116.00	119.00	164.00
51	55.00	68.00	75.00	79.00	82.00	112.00	108.00	130.00	140.00	149.00	152.00	207.00	86.00	103.00	113.00	119.00	123.00	168.00
52	58.00	72.00	79.00	83.00	86.00	118.00	111.00	133.00	145.00	153.00	156.00	213.00	89.00	105.00	117.00	123.00	126.00	173.00
53	61.00	75.00	83.00	88.00	90.00	124.00	115.00	137.00	150.00	158.00	161.00	219.00	91.00	108.00	120.00	126.00	130.00	177.00
54	64.00	79.00	87.00	92.00	94.00	130.00	118.00	141.00	155.00	163.00	167.00	225.00	93.00	111.00	123.00	130.00	134.00	182.00
55	67.00	83.00	92.00	97.00	99.00	137.00	122.00	145.00	160.00	168.00	172.00	232.00	96.00	114.00	127.00	134.00	138.00	187.00
56	71.00	88.00	97.00	103.00	105.00	145.00	127.00	150.00	166.00	174.00	178.00	241.00	99.00	118.00	132.00	139.00	143.00	194.00
57	75.00	93.00	103.00	109.00	111.00	154.00	131.00	156.00	172.00	181.00	185.00	249.00	102.00	122.00	136.00	144.00	148.00	201.00
58	79.00	98.00	109.00	115.00	118.00	164.00	136.00	162.00	178.00	188.00	192.00	259.00	106.00	127.00	141.00	149.00	153.00	208.00
59	84.00	104.00	115.00	122.00	125.00	174.00	142.00	168.00	185.00	195.00	199.00	268.00	109.00	131.00	147.00	154.00	158.00	216.00
60	89.00	110.00	122.00	129.00	133.00	185.00	147.00	174.00	192.00	202.00	207.00	278.00	113.00	136.00	152.00	160.00	164.00	224.00
61	96.00	118.00	131.00	139.00	143.00	199.00	156.00	184.00	203.00	213.00	219.00	294.00	119.00	143.00	161.00	169.00	173.00	236.00
62	103.00	127.00	141.00	150.00	155.00	214.00	165.00	194.00	215.00	226.00	231.00	310.00	126.00	151.00	170.00	178.00	183.00	249.00
63	110.00	137.00	152.00	161.00	167.00	230.00	174.00	205.00	228.00	238.00	244.00	327.00	133.00	159.00	179.00	188.00	193.00	263.00
64	118.00	148.00	164.00	174.00	180.00	247.00	184.00	216.00	241.00	252.00	258.00	346.00	140.00	167.00	189.00	198.00	204.00	277.00
65	127.00	159.00	176.00	187.00	194.00	266.00	195.00	228.00	255.00	266.00	272.00	365.00	148.00	176.00	200.00	209.00	216.00	292.00
66	138.00	173.00	191.00	203.00	211.00	289.00	207.00	244.00	271.00	284.00	292.00	392.00	157.00	188.00	212.00	223.00	231.00	314.00
67	150.00	187.00	208.00	221.00	230.00	314.00	220.00	261.00	288.00	304.00	313.00	421.00	168.00	202.00	225.00	239.00	248.00	337.00
68	162.00	204.00	226.00	241.00	250.00	342.00	234.00	279.00	306.00	324.00	335.00	452.00	178.00	216.00	239.00	255.00	266.00	362.00
69	176.00	221.00	246.00	262.00	272.00	372.00	248.00	298.00	325.00	346.00	359.00	485.00	190.00	231.00	254.00	272.00	285.00	388.00
70	191.00	240.00	267.00	285.00	296.00	404.00	264.00	319.00	345.00	370.00	385.00	521.00	202.00	247.00	269.00	291.00	305.00	417.00
71	207.00	261.00	291.00	311.00	324.00	436.00	283.00	342.00	376.00	406.00	423.00	561.00	219.00	271.00	297.00	321.00	337.00	451.00
72	224.00	285.00	317.00	339.00	355.00	470.00	303.00	366.00	409.00	446.00	466.00	603.00	236.00	295.00	325.00	351.00	369.00	486.00
73	243.00	310.00	345.00	370.00	389.00	507.00	325.00	392.00	446.00	489.00	512.00	649.00	252.00	320.00	354.00	381.00	402.00	520.00
74	264.00	338.00	376.00	404.00	426.00	546.00	348.00	419.00	486.00	537.00	564.00	699.00	269.00	344.00	382.00	411.00	434.00	555.00
75	286.00	368.00	410.00	441.00	466.00	589.00	373.00	449.00	529.00	589.00	620.00	752.00	286.00	368.00	410.00	441.00	466.00	589.00
76	315.00	408.00	454.00	487.00	518.00	640.00	412.00	497.00	583.00	647.00	682.00	832.00						
77	347.00	452.00	502.00	537.00	576.00	695.00	455.00	550.00	643.00	712.00	750.00	920.00						
78	382.00	500.00	555.00	593.00	640.00	756.00	503.00	609.00	709.00	782.00	825.00	1017.00						
79	420.00	554.00	614.00	654.00	711.00	821.00	556.00	674.00	781.00	860.00	908.00	1125.00						
80	689.00						913.00											
81	744.00						976.00											
82	802.00						1043.00											
83	867.00						1115.00											
84	935.00						1191.00											
85	1009.00						1273.00											
86	1075.00						1344.00											
87	1146.00						1419.00											
88	1221.00						1498.00											
89	1302.00						1582.00											
90	1387.00						1669.00											
91+																		

Rates shown below the line apply only to attained age GPO or GIO purchases, Shared Care 2-year purchases on exhaustion of benefits, and/or Family Care purchases

**Appendix B1**  
**John Hancock Life Insurance Company (U.S.A.)**  
**ICC10-LTC-11**

*Premiums to be used only with those  
that have not previously elected an inflation decrease option*

**Standard rates per \$10 of Daily Coverage**  
**90 Day Elimination Period**

Age	5% Compound Inflation					
	Benefit Period					
	2 Years	3 Years	4 Years	5 Years	6 Years	10 Years
18-29	201.00	245.00	269.00	283.00	290.00	383.00
30	212.00	258.00	283.00	298.00	305.00	403.00
31	213.00	259.00	284.00	299.00	306.00	405.00
32	214.00	260.00	285.00	300.00	307.00	407.00
33	215.00	261.00	287.00	302.00	309.00	409.00
34	216.00	262.00	288.00	303.00	310.00	410.00
35	217.00	263.00	289.00	304.00	311.00	412.00
36	218.00	265.00	290.00	305.00	312.00	414.00
37	219.00	266.00	291.00	306.00	313.00	416.00
38	220.00	267.00	293.00	308.00	315.00	418.00
39	221.00	268.00	294.00	309.00	316.00	420.00
40	222.00	269.00	295.00	310.00	317.00	422.00
41	223.00	270.00	296.00	311.00	318.00	424.00
42	224.00	271.00	297.00	312.00	319.00	426.00
43	225.00	272.00	298.00	313.00	320.00	428.00
44	226.00	273.00	299.00	314.00	321.00	430.00
45	227.00	274.00	299.00	314.00	322.00	432.00
46	229.00	275.00	300.00	315.00	323.00	434.00
47	230.00	276.00	301.00	316.00	324.00	437.00
48	231.00	277.00	302.00	317.00	325.00	439.00
49	232.00	278.00	303.00	318.00	326.00	441.00
50	233.00	279.00	304.00	319.00	327.00	443.00
51	234.00	281.00	306.00	321.00	329.00	445.00
52	235.00	283.00	308.00	322.00	331.00	447.00
53	236.00	284.00	310.00	324.00	332.00	449.00
54	237.00	286.00	312.00	325.00	334.00	451.00
55	238.00	288.00	314.00	327.00	336.00	453.00
56	240.00	290.00	316.00	329.00	338.00	457.00
57	241.00	292.00	318.00	332.00	341.00	461.00
58	243.00	294.00	320.00	334.00	343.00	465.00
59	244.00	296.00	322.00	337.00	346.00	470.00
60	246.00	298.00	324.00	339.00	348.00	474.00
61	256.00	309.00	337.00	352.00	362.00	493.00
62	266.00	321.00	351.00	366.00	376.00	513.00
63	277.00	334.00	365.00	381.00	390.00	534.00
64	288.00	347.00	380.00	395.00	405.00	556.00
65	299.00	360.00	395.00	411.00	421.00	578.00
66	312.00	377.00	413.00	432.00	446.00	602.00
67	326.00	395.00	432.00	455.00	472.00	627.00
68	340.00	414.00	452.00	479.00	500.00	653.00
69	355.00	434.00	472.00	504.00	529.00	681.00
70	371.00	455.00	494.00	530.00	560.00	709.00
71	403.00	484.00	534.00	574.00	607.00	761.00
72	437.00	515.00	578.00	621.00	659.00	817.00
73	474.00	548.00	625.00	673.00	714.00	878.00
74	515.00	584.00	677.00	729.00	775.00	942.00
75	559.00	621.00	732.00	789.00	840.00	1012.00
76	594.00	679.00	801.00	868.00	921.00	1107.00
77	631.00	743.00	877.00	954.00	1010.00	1212.00
78	670.00	813.00	960.00	1049.00	1108.00	1326.00
79	712.00	890.00	1051.00	1154.00	1215.00	1451.00
80	1121.00					
81	1187.00					
82	1258.00					
83	1334.00					
84	1414.00					
85	1498.00					
86	1588.00					
87	1688.00					
88	1794.00					
89	1907.00					
90	2027.00					
91+						

Rates shown below the line apply only to attained age GPO or GIO purchases,  
Shared Care 2-year purchases on exhaustion of benefits, and/or Family Care  
purchases

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

## Supporting Document Schedules

<b>Bypassed - Item:</b>	Certification of Compliance/Readability
<b>Bypass Reason:</b>	Not applicable to this submission
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Product Checklist
<b>Comments:</b>	
<b>Attachment(s):</b>	Long-Term-Care-New-Filing-Checklist_VA CCIII.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	05/05/2023

<b>Satisfied - Item:</b>	L&H Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	Understanding Premium Rate Increases on Private LTCI Policyholders 060216.pdf VA CCIII Appendix E.pdf VA CCIII filing package.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	05/05/2023

<b>Satisfied - Item:</b>	Long Term Care Insurance Rate Request Summary
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 2019 CCIII Rate Summary.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	05/05/2023

<b>Bypassed - Item:</b>	L&H Readability - Health
<b>Bypass Reason:</b>	Not applicable to this submission
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Cover letter
<b>Comments:</b>	
<b>Attachment(s):</b>	VA CCIII 2019 JH Inforce Rate-Form Increase Cover Letter.pdf

<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	05/05/2023

<b>Satisfied - Item:</b>	Sample Policyholder Communication Package
<b>Comments:</b>	We will be using the communications approved under SERFF Tracking Number MULF-132319248
<b>Attachment(s):</b>	VA_GPO_PH Communication 2019_Final.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	05/05/2023

<b>Satisfied - Item:</b>	Statement of Variability
<b>Comments:</b>	No longer applicable.
<b>Attachment(s):</b>	
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	05/05/2023

<b>Satisfied - Item:</b>	Response to 3/14/22 objection
<b>Comments:</b>	
<b>Attachment(s):</b>	2022-03-14 VA CCIII Objection Response.pdf CCIII Selection Factors.xlsx Custom Care III Claim Counts.pdf VA CCIII Blended If-Knew Projections.xlsx VA CCIII loss ratio exhibit (2021).pdf VA CCIII loss ratio exhibit (split by BP and inflation).xlsx VA CCIII loss ratio exhibit (with formulas).xlsx VA CCIII loss ratio exhibit.pdf VA CCIII PPV Method Projections.xlsx 2019 CCIII Rate Increase Filing Summary.xls
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	05/05/2023

<b>Satisfied - Item:</b>	Response to 5/31/22 objection
<b>Comments:</b>	
<b>Attachment(s):</b>	5-31-22 VA CCIII Objection Response.pdf Certification_CCIII.pdf VA CCIII filing package (for rate certification).pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	05/05/2023

<b>Satisfied - Item:</b>	Response to 6/6/22 objection
<b>Comments:</b>	

<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

<b>Attachment(s):</b>	6-6-22 VA CCIII Objection Response.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	05/05/2023
<b>Satisfied - Item:</b>	Response to 6/7/22 objection
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 6-7-22 CCIII Objection Response.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	05/05/2023
<b>Satisfied - Item:</b>	Response to 7/7/22 objection
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 7-7-22 CCIII Objection Response.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	05/05/2023
<b>Satisfied - Item:</b>	Response to 8/24/22 objection
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 8-24-22 VA CCIII Objection Response.pdf ICC10-LTC-11 SERFF Filing History.xlsx
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	05/05/2023
<b>Satisfied - Item:</b>	Response to 9/20/22 objection
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 9-20-22 VA CCIII Objection Response.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	05/05/2023
<b>Satisfied - Item:</b>	1/24/23 Amendment
<b>Comments:</b>	
<b>Attachment(s):</b>	VA 1-20-23 VA CCIII Amendment Letter.pdf VA CCIII rates comparison.xlsx
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	05/05/2023
<b>Satisfied - Item:</b>	Response to 2/8/23 objection
<b>Comments:</b>	



<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>State:</b>	Virginia	<b>Filing Company:</b>	John Hancock Life Insurance Company (U.S.A.)
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
<b>Product Name:</b>	2019 Inforce Rate Increases - JH CCIII		
<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/		

<b>Attachment(s):</b>	JD VA 2019 JHLTC GPO Package example.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	05/05/2023
<b>Satisfied - Item:</b>	3/7/23 Amendment
<b>Comments:</b>	
<b>Attachment(s):</b>	JD VA 2019 JHLTC GPO Pkg_v8.pdf JD_VA_JHLTC_LS_Package_v6.pdf R L PHCOMM_Statement of Vari LS Eligible_VA_2019 v9.pdf RLTC PHCOMM_Statement of Variability LS Eligible_VA_2019 v9.pdf RL_PHCOMM_Statement of Vari GPO_VA_2019 v10.pdf RLTC PHCOMM_Statement of Variability GPO_VA_2019 v10.pdf
<b>Item Status:</b>	Received & Acknowledged
<b>Status Date:</b>	05/05/2023

<b>SERFF Tracking #:</b>	MULF-133155435	<b>State Tracking #:</b>	MULF-133155435	<b>Company Tracking #:</b>	2019 INFORCE RATE INCREASE - JH CCIII
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<b>Project Name/Number:</b>	2019 Inforce Rate Increases - JH CCIII/				

***Attachment CCIII Selection Factors.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment VA CCIII Blended If-Knew Projections.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment VA CCIII loss ratio exhibit (split by BP and inflation).xlsx is not a PDF document and cannot be reproduced here.***

***Attachment VA CCIII loss ratio exhibit (with formulas).xlsx is not a PDF document and cannot be reproduced here.***

***Attachment VA CCIII PPV Method Projections.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment 2019 CCIII Rate Increase Filing Summary.xls is not a PDF document and cannot be reproduced here.***

***Attachment ICC10-LTC-11 SERFF Filing History.xlsx is not a PDF document and cannot be reproduced here.***

***Attachment VA CCIII rates comparison.xlsx is not a PDF document and cannot be reproduced here.***

Review Requirements Checklist  
FOR NEW LONG-TERM CARE INSURANCE (LTCI) RATES

**Note: This document is intended to assist carriers in preparing LTCI rate increase filings for review and approval by the Bureau of Insurance. It provides guidance based on current Virginia laws and regulations. It should be noted, however, that this checklist should not be used exclusive of other important resources, including, but not limited to, any and all other applicable state insurance laws and associated rules and regulations. Note that some regulatory references in the Comments column are approximate. It is the responsibility of the carriers to verify that their products comply with all relevant statutory and regulatory requirements.**

REVIEW REQUIREMENTS	REFERENCES	COMMENTS	FILER'S NOTES
Source of Filing	14VAC5-101-40	Filings shall be submitted in SERFF. Third-party filing authorization must be included.	Acknowledged
	14VAC5-101-50 C 1	Filing description must include the type of insurance form, including a description of the form and the market for which the form is intended; and intentions to concentrate on a specialized market should be noted.	Acknowledged
	14VAC5-101-50 C 2	Filing description must include the form number of each form that is being filed.	Acknowledged
General Information Filing Description	14VAC5-101-50 C 3	Filing description must state whether submitted form is new, or if replacing, revising, or modifying a previously approved form, the exact changes that are intended.	Acknowledged
	14VAC5-101-50 C 4	Filing description must identify any change in benefits and indicate whether the change affects premium rates for the form.	NA
	14VAC5-101-50 C 5	Filing description must state if approval of a form submitted has been withdrawn by another regulatory body and the reasons for such a withdrawal.	NA

Review Requirements Checklist  
FOR NEW LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCES	COMMENTS	FILER'S NOTES
	14VAC5-101-50 F	Any form filed that is to be used with a previously approved form, including an application, shall identify the form number, approval date, and SERFF or state tracking number in the new filing.	Acknowledged
	14VAC5-101-50 G	Any amendment, endorsement, or rider that intends to revise a previously approved form shall be accompanied by the previously approved form filed as supporting documentation.	NA
Form Number	14VAC5-101-60 1	Form Number must appear in the lower left-hand corner of the first page of the form. It shall consist of numbers, letters, or a combination of both. The form number shall distinguish the form from all other forms used by the company.	Acknowledged
Company Name and Address	14VAC5-101-60 2	Full and proper name (including "Inc.") must appear prominently on first page or cover sheet of all forms. Home office address must be included on first page of any policy, application, or enrollment form.	Acknowledged
Marketing Name or Logo	14VAC5-101-60 3	A marketing name or logo also may be used on the form, provided that the marketing name or logo does not mislead as to the identity of the company.	Acknowledged
	14VAC5-101-60 4	The cover page of a policy also shall include the address of an office that will administer the policy if different from the home office, a company telephone number, and company website address.	NA
Final Form	14VAC5-101-60 5	Form must be submitted in "final form" and in "John Doe fashion" to indicate its intended use.	Acknowledged
Electronic Version	14VAC5-101-60 6	Each form that is to be used in an electronic version shall be filed in a format that matches the electronic version exactly.	NA
Readability	14VAC5-101-70 A	Each form submitted for review or approval shall be written in simplified language, logically and clearly arranged, and printed in a legible format.	Acknowledged
	14VAC5-101-70 C	Defined words and terms shall be placed in a separate definition section that is clearly identified, unless only used in one section.	Acknowledged

Review Requirements Checklist  
FOR NEW LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCES	COMMENTS	FILER'S NOTES
Type Size	14VAC5-101-70 E	Any form submitted for review or approval shall be printed in at least 10-point type size.	Acknowledged
	14VAC5-101-70 F	Any policy shall achieve a minimum Flesch reading ease score of 50 or an equivalent score using another comparable test, unless otherwise specified by statute, or an exception requested pursuant to 14 VAC 5-101-70 G.	Acknowledged
Variability	14VAC5-101-80	<p>A. Use of variable bracketed information shall be limited. All variable information shall be clear, easily understood and fully explain each use of the variable language.</p> <p>B. Administrative information, such as officer names, titles and signatures, contact information, or company logo may be presented as variable bracketed text.</p> <p>C. Different types of benefits may be variable only for inclusion or exclusion within the form. The use of brackets within brackets is not permitted, except when variability is necessary to identify a period of time or other numeric value.</p> <p>D. Each instance of variable text shall appear in brackets on a form and shall be separately and completely explained in detail in a Statement of Variability document. Each explanation of variability shall appear in the same order that it appears on the form.</p> <p>E. Requests for revisions to a Statement of Variability contained in a previously approved filing shall be accomplished by notification in the original filing.</p>	Acknowledged

Review Requirements Checklist  
FOR NEW LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCES	COMMENTS	FILER'S NOTES
Disclosure Requirements	14VAC5-200-75 A	Other than policies for which no applicable premium rate or rate schedule increases can be made, insurers shall provide all of the information listed in this subsection to the applicant at the time of application or enrollment, unless the method of application does not allow for delivery at that time. In such a case, an insurer shall provide all of the information listed in this section to the applicant no later than at the time of delivery of the policy or certificate.	NA
	14VAC5-200-75 A 1	A statement that the policy may be subject to rate increases in the future;	Acknowledged
	14VAC5-200-75 A 2	An explanation of potential future premium rate revisions, and the policyholder's or certificateholder's option in the event of a premium rate revision;	Acknowledged
	14VAC5-200-75 A 3	The premium rate or rate schedules applicable to the applicant that will be in effect until a request is made for an increase;	Acknowledged
	14VAC5-200-75 A 4	A general explanation for applying premium rate or rate schedule adjustments that shall include: a. A description of when premium rate or rate schedule adjustments will be effective (e.g., next anniversary date, next billing date, etc.); and b. The right to a revised premium rate or rate schedule as provided in subdivision 2 of this subsection if the premium rate or rate schedule is changed;	Acknowledged
	14VAC5-200-75 A 5	a. Information regarding each premium rate increase on this policy form or similar policy forms over the past 10 years for this Commonwealth or any other state that, at a minimum, identifies: (1) The policy forms for which premium rates have been increased; (2) The calendar years when the form was available for purchase; and (3) The amount or percentage of each increase. The percentage may be expressed as a percentage of the	NA

Review Requirements Checklist  
FOR NEW LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCES	COMMENTS	FILER'S NOTES
		premium rate prior to the increase, and may also be expressed as minimum and maximum percentages if the rate increase is variable by rating characteristics.	
	14VAC5-200-75 A 5	b. The insurer may, in a fair manner, provide additional explanatory information related to the rate increases.	NA
	14VAC5-200-75 A 5	c. An insurer shall have the right to exclude from the disclosure premium rate increases that only apply to blocks of business acquired from other nonaffiliated insurers or the long-term care policies acquired from other nonaffiliated insurers when those increases occurred prior to the acquisition.	NA
	14VAC5-200-75 A 5	d. If an acquiring insurer files for a rate increase on a long-term care policy form or a block of policy forms acquired from nonaffiliated insurers 24 months or more following the acquisition of the policy form or the block of policies, the acquiring insurer may exclude that rate increase from the disclosure. However, the nonaffiliated selling company shall include the disclosure of that rate increase in accordance with subdivision 5 a of this subsection.	NA
	14VAC5-200-75 A 5	e. If the acquiring insurer in subdivision 5 d of this subsection files for a subsequent rate increase, even within the 24-month period, on the same policy form acquired from nonaffiliated insurers or block of policy forms acquired from nonaffiliated insurers referenced in subdivision 5 d of this subsection, the acquiring insurer shall make all disclosures required by subdivision 5 of this subsection, including disclosure of the earlier rate increase referenced in subdivision 5 d of this subsection.	NA
	14VAC5-200-75 B	An applicant shall sign an acknowledgment at the time of application, unless the method of application does not allow for signature at that time, that the insurer made the disclosure required under subdivisions A 1 and 5 of this section. If due to the method of application the applicant cannot sign an acknowledgment at the time of application, the applicant shall	NA

Review Requirements Checklist  
FOR NEW LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCES	COMMENTS	FILER'S NOTES
		sign no later than at the time of delivery of the policy or certificate. The insurer shall maintain copies of the signed acknowledgment for the duration of the policy or certificate.	NA
	14VAC5-200-75 C	An insurer shall use Forms B and F to comply with the requirements of subsections A and B of this section.	NA
Initial filing requirements for individual and group LTCI rates.	14VAC5-200-77 A	This section shall apply to any long-term care policy form filed with the commission on or after September 1, 2015.	NA - Requirements of 14VAC5-200-153 acknowledged
	14VAC5-200-77 B 1	An insurer shall provide the information listed in this section to the Commission and receive approval of the firm prior to making a long-term care insurance for available for sale. A copy of the disclosure documents required in 14 VAC 5-200-75; and	NA
	14VAC5-200-77 B 2	An actuarial certification consisting of at least the following:	NA
Premium Sufficiency		a. A statement that the initial premium rate schedule is sufficient to cover anticipated costs under moderately adverse experience and that the premium rate schedule is reasonably expected to be sustainable over the life of the form with no future premium increases anticipated;	NA
		b. An explanation for supporting subdivision 2 a of this subsection, including: (i) A description of the margin for moderately adverse experience that is included in the premium rates, and (ii) A description of the testing or pricing assumptions that was done to support the conclusion that the filed premium rates are sustainable over the life of the form;	NA
		c. A statement that the policy design and coverage provided have been reviewed and taken into consideration;	NA
		d. A statement that the underwriting and claims adjudication processes have been reviewed and taken into consideration.	NA
		e. A complete description of the basis for contract reserves that are anticipated to be held under the form, to include:	NA



Review Requirements Checklist  
FOR NEW LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCES	COMMENTS	FILER'S NOTES
		(1) Sufficient detail or sample calculations provided so as to have a complete depiction of the reserve amounts to be held;	NA
		(2) A statement that the assumptions used for reserves contain reasonable margins for adverse experience;	NA
		(3) A statement that the net valuation premium for renewal years does not increase (except for attained-age rating); and	NA
		(4) A statement that the difference, in aggregate, between the gross premium and the net valuation premium for renewal years is sufficient to cover expected renewal expenses; or if such a statement cannot be made, a complete description of the situations where this does not occur. When the difference between the gross premium and the renewal net valuation premiums is not sufficient to cover expected renewal expenses, the description provided should demonstrate the type of level of change in the reserve assumptions that would be necessary for the difference to be sufficient.	NA
		(a) An aggregate distribution of anticipated issues may be used as long as the underlying gross premiums maintain a reasonably consistent relationship.	NA
		(b) If the gross premiums for certain age groups appear to be inconsistent with this requirement, the Commission may request a demonstration based on a standard age distribution; and	NA
		f. (1) A statement that the premium rate schedule is not less than the premium rate schedule for existing similar policy forms also available from the insurer except for reasonable differences attributable to benefits; or	NA
		(2) A comparison of the premium rate schedules for similar policy forms that are currently available from the insurer with an explanation of the differences. It is not expected that the insurer will need to provide a comparison of every age and set of benefits, period of payment or elimination period. A broad range of expected combinations is to be provided in a	NA

Review Requirements Checklist  
FOR NEW LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCES	COMMENTS	FILER'S NOTES
		manner designed to provide a fair presentation for review by the Commission.	NA
	14VAC5-200-77 B 3	An actuarial memorandum that includes:	NA - Requirements of 14VAC5-200-153 acknowledged
		a. A description of the basis on which the long-term care insurance premium rates were determined;	NA
		b. A description of the basis for the reserves;	NA
		c. A summary of the type of policy, benefits, renewability, general marketing method, and limits on ages of issuance;	NA
		d. A description and a table of each actuarial assumption used. For expenses, an insurer must include percentage of premium dollars per policy and dollars per unit of benefits, if any;	NA
		e. A description and a table of the anticipated policy reserves and additional reserves to be held in each future year for active lives;	NA
		f. The estimated average annual premium per policy and the average issue age; and	NA
		g. A statement that includes a description of the types of underwriting used, such as medical underwriting or functional assessment underwriting. Concerning a group policy, the statement shall indicate whether the enrollee or any dependent will be underwritten and when underwriting occurs.	NA
		h. An explanation of the review performed by the actuary prior to making the statements in subdivisions B 2 c and d of this section;	NA
		i. A complete description of pricing assumptions;	NA
Margins		j. Sources and levels of margins incorporated into the gross premiums that are the basis for the statement in subdivision B 2 a of this section of the actuarial certification and an explanation of the analysis and testing performed in determining the sufficiency of the margins. Deviations in margins between ages, sexes, plans, or states shall be clearly	NA

Review Requirements Checklist  
FOR NEW LONG-TERM CARE INSURANCE (LTCI) RATES

REVIEW REQUIREMENTS	REFERENCES	COMMENTS	FILER'S NOTES
		described. Deviations in margins required to be described are other than those produced utilizing generally accepted actuarial methods for smoothing and interpolating gross premium scales;	NA
		k. A demonstration that the gross premiums include the minimum composite margin specified in subdivision B 2 e of this section; and	NA
		l. The anticipated loss ratio and a description of how it was calculated.	NA

Review Requirements Checklist  
FOR NEW LONG-TERM CARE INSURANCE (LTCI) RATES

**Access to Administrative Letters, Administrative Orders, Regulations and Laws is available at:**  
<http://www.scc.virginia.gov/boi/laws.aspx>

The Rates Section of the Life and Health Division reviews new long-term care insurance rates. Please contact this section at (804) 371-9348 if you have questions or need additional information about this line of insurance.

The Flesch reading ease score of the filed policy form is NA.

I represent that a review of the enclosed form has been conducted, and I certify that, to the best of my knowledge and belief, each form submitted is consistent and complies with the requirements of Title 38.2 of the Code of Virginia and the applicable rules and regulations. I understand that a failure to comply with these requirements will result in a disapproval of the filing.

I hereby certify that I have reviewed the attached new long-term care insurance rate filing and determined that it is in compliance with the New Long-Term Care Insurance (LTCI) Rates checklist.

Signed: \_\_\_\_\_

Name (please print): Katherine Gillis Title: Actuary

Company Name: John Hancock Life Insurance Company (U.S.A.)

Date: 5/16/22 Phone No: ( ) 617-572-1284

E-Mail Address: kgillis@jhancock.com

# Issue Brief

JUNE 2016

## KEY POINTS:

Private LTCI is complex—a policyholder is essentially paying today for a varied range of care he or she may or may not need years, if not decades, into the future.

Insurers are gradually learning through their claims experience what the actual levels of benefits are and will be.

A means for taking corrective action to accommodate the changing future is important.

## Understanding Premium Rate Increases on Private Long-Term Care Insurance Policyholders

America faces a great public need in addressing long-term care (LTC) financing, and that need is growing even more critical because the population is aging. There can be substantial costs for LTC services and supports, and for elderly Americans and their families, finding ways to pay for those services and supports can be challenging. According to the U.S. Department of Health and Human Services, about half of Americans turning 65 today will need LTC; one in seven adults will need care for more than five years; and one in six will spend at least \$100,000 for future LTC.<sup>1</sup>

Private LTC insurance (LTCI) is an option for financing future LTC needs; however, it is often considered cost-prohibitive by many potential consumers. In particular, in recent years, LTC<sup>2,3</sup> has gotten a lot of attention because of the relative size and frequency of premium rate increases. The American Academy of Actuaries' Long-Term Care Reform Subcommittee has developed this issue brief to enhance understanding of what is leading to significant rate increases, examine how the need for a rate increase is determined, discuss the effects of increases on various stakeholders, and explore alternatives to premium rate increases.



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<sup>1</sup> *Long-Term Services and Supports for Older Americans: Risks and Financing Research Brief*, Office of the Assistant Secretary for Planning and Evaluation; U.S. Department of Health and Human Services, February 2015.

<sup>2</sup> Many LTCI policies include a "guaranteed renewable" contractual provision requiring an insurance company to offer to renew these policies, but the insurance company may do so with a premium rate increase only on a class basis.

<sup>3</sup> Some states include short-term care insurance (which generally provides similar coverage to LTC, but for shorter benefit periods, typically for a year or less) under the classification of long-term care insurance. For clarity, this issue brief is not intended to address such short-term care insurance.

## Factors Affecting LTCI Premium Increases

Private LTCI is complex—a policyholder is essentially paying today for a varied range of care he or she may or may not need years, if not decades, into the future. As such, LTCI requires a long projection period, with some policyholders receiving benefits beyond age 100. Therefore even for the average issue age of 57, policy projections require assumptions for more than 50 years into the future. The future period is even longer for younger policyholders. Further, calculating premiums relies on a number of assumptions for variables such as:

- mortality;
- voluntary lapses;
- interest rates; and
- morbidity, including
  - incidence of disabilities requiring LTC services;
  - recoveries and mortality while on claim;
  - benefit expiry;
  - service inflation costs of covered services relative to inflation protection assumptions; and
  - the amount of services required while disabled (for policies that reimburse actual expenses).

In addition, there has been and continues to be a high level of uncertainty and change in circumstances that affect the level of sufficient premium rates, such as:

- changing pattern of service/care providers (e.g., growth of assisted living facilities and continuing care retirement communities, access to home care services that are covered by LTCI);
- changing medical practice (e.g., criteria for diagnosis of Alzheimer’s disease and other cognitive impairments);

- effects of mortality improvement in the population, leading to more older age benefits and longer stays for a given age;
- changes in family composition and availability of caregivers, leading to fewer supports for care at home;
- lower investment income, a crucial consideration for a financial instrument that must accumulate large reserves over many decades to prefund the high cost of services that occur at advanced ages; and
- limited available data under existing LTCI coverage beyond 20 policy years for advanced ages, where morbidity tends to be substantially different from general population data due to the characteristics of those who purchase insurance.

If not for the ability to adjust premiums to better reflect actual experience, carriers would not have offered this type of insurance product. Without LTCI, many more people would exhaust their savings on care costs and then rely on public programs such as Medicaid for their additional care needs.

Often, examining adverse experience from older policy form blocks provides valuable insights that may be applicable to newer blocks. After reviewing the adverse experience, insurers may need to change projection assumptions used for the newer policy forms. The revised projections could identify a need for a premium rate increase. It is important to note that even though adverse experience has not developed yet for a newer block, the revised expected future benefits may be higher for that newer block than previously expected. Recognizing the need to fund the higher expected future benefits for the newer block comes in the form of a premium rate

Members of the Long-Term Care Reform Subcommittee include: P.J. Eric Stallard, MAAA, ASA, FCA, chairperson; Bruce Stahl, MAAA, ASA, vice chairperson; Mark Billingsley, MAAA, FSA; Dave Bond, MAAA, FCA, FSA; Michael A. Boot, MAAA, FSA; Malcolm A. Cheung, MAAA, FSA; Robert W. Darnell, MAAA, ASA; Timothy D. Gustafson, MAAA, FSA; Clark Heitkamp, MAAA, FSA; David E. Kerr, MAAA, ASA; Perry Kupferman, MAAA, FSA; Brad S. Linder, MAAA, ASA; Jamala Murray, MAAA, FSA; David Plumb, MAAA, FSA; Zenaida Samaniego, MAAA, FSA; Steven W. Schoonveld, MAAA, FSA; Sara Teppema, MAAA, FCA, FSA; Matthew Winegar, MAAA, FSA; and Ali Zaker-Shahrak, MAAA, FSA.

increase. Actuaries will then communicate the amount of premium rate increases along with their assumed implementation timing to state insurance departments. Both the increase and its associated implementation timing are very important. Deferring implementation of a needed rate increase is detrimental because waiting to implement the rate increase will not start the accumulation of the needed increased premium to fund the higher expected benefits, resulting in the need for a further increase. The effect on consumers is that deferrals generally lead to the need for a higher rate increase than originally calculated.

When original LTCI policy forms were issued in the 1980s and '90s, often morbidity assumptions were based upon general population statistics, and lapse and mortality assumptions upon experience of non-LTC insurance products. Not only did the insured population behave differently than the general population, but improvements in medical diagnostic practices and services and a large increase in the use of assisted living facilities helped increase (1) the number of individuals surviving to ages where the levels of disability are higher, leading to higher claim rates per insured; and (2) the survival time following the onset of disability.

Insurers are gradually learning through their claims experience what the actual levels of benefits are and will be; nonetheless, they still do not yet have a complete basis for assessing the ultimate levels of claims to be paid at advanced ages and later policy durations, nor how these levels might change over time. Insurers will continue to use existing information to estimate these ultimate claim levels and may need to raise premium rates further as more insured life experience develops or if there are unfavorable changes in benefit usage in the future.

## Differences Between Current and Past LTCI Policies

There are significant differences in the pricing characteristics for LTCI policies issued in the past, especially more than a decade ago, compared to policies being issued today and what is expected going forward. The possibility of a future rate increase, at any point in time, is a function of the confidence level in the underlying assumptions and risks associated with these assumptions. With more conservative assumptions, more data to support those assumptions, key assumptions approaching their absolute limits (e.g., ultimate lapse rates approaching zero), and higher explicit margins, it is likely that the probability of rate increases on the current generation of LTCI policies will be lower than the probability of rate increases on previous generations. Future changes in the underlying morbidity, mortality, policyholder behavior, provider behavior, or regulations could alter this likelihood, yet statistical analyses on the experience are helpful when applying historical results to future projections.

A recent presentation<sup>4</sup> of the likelihood of future rate increases on policies issued in 2014 versus policies issued in 2007 and 2000, based on a survey of insurers writing business in 2000, 2007, and 2014, found the following:

- Barring the potential changes mentioned above, and using the same projection model for each time period, the risk of a future rate increase issued in 2014 (using 2014 assumptions) is only one-quarter that of the risk on business issued in 2000 (using 2000 assumptions), and only one-third that of the risk on business issued in 2007 (using 2007 assumptions).
- The primary reasons for this improved expectation of future premium stability are the substantially greater insured experience behind each successive set of assumptions, the significantly lower future downside risk of most assumptions, and an increase in the margins for adverse experience.

<sup>4</sup> Stephen Douglas Forman, James M. Glickman, and Roger Loomis, "[LTCI New Business Pricing - How Safe Is It?](#)," Society of Actuaries Annual Meeting, October 11-14, 2015.

- Amount of data increased 16-fold from 2000 to 2014.
- Claims data for ultimate experience (e.g., durations 10 and beyond) at attained ages over 80 increased 70-fold from 2000 to 2014.
- Ultimate voluntary lapse rate assumptions decreased from 2.8 percent in 2000 to 0.7 percent in 2014. This leaves very little room for future adverse deviations from lower voluntary lapse rates.
- Best estimate ultimate claim costs in the year 2000 were estimated at 70 percent of the recently released 2000-2011 SOA LTC Experience Study.<sup>5</sup> The corresponding best estimate ultimate claim costs used for 2014 pricing were 108 percent of that SOA LTC Experience Study.
- Ultimate mortality being used in 2014 pricing is 72 percent of the mortality assumption used in 2000.
- Investment portfolio rates were assumed to be 6.4 percent for every future year of a policy issued in 2000, while they are now assumed to be 4.6 percent for every future year of a policy issued in 2014.
- As a consequence of the above, the average policy premiums (for the same benefits) increased to 215 percent of the year 2000 premiums by 2014.

## Determining the Need for Premium Rate Increases

In determining whether LTCI policies require a premium rate increase, two authorized methods are applied—one for policies subject to minimum loss ratio certifications and one for a rate stability certifications.

Historically, LTCI pricing was subject to a 60 percent minimum loss ratio (MLR) by most states, meaning that the ratio of the present value of lifetime claims to premiums could not fall below 60 percent. Beginning in the early 2000s, many states enacted rate stability laws, which stated that LTCI should be priced without using the MLR approach. Instead actuaries would need to certify that the premium rates had enough margin to withstand moderately adverse experience (MAE).

Under the MLR approach, if an insurer demonstrates that revised historical and future projected experience produces a lifetime loss ratio greater than 60 percent (or the originally priced-for loss ratio), a premium rate increase could be filed that would allow the projected experience on the policies to return to that lifetime loss ratio.

Under the rate stabilization approach, a premium rate increase could be requested if actual past experience combined with projected future experience exceeds the original or previously defined MAE margin. If revised projections using updated experience exceed the MAE margin, then a premium rate increase could be filed such that the lifetime loss ratio on the original premiums is assumed to be the greater of 58 percent and the original assumed loss ratio; and the lifetime loss ratio on the increased premiums is at least 85 percent (with claims projected into the future including MAE). For this premium rate increase filing, the amount of premium rate increase needs to be large enough for the insurer's designated actuary to certify that the premiums are sufficient with no further premium rate increases in the future unless the actual experience exceeds a revised MAE margin.

<sup>5</sup> Society of Actuaries, [Long Term Care Intercompany Experience Study – Aggregate Database 2000-2011 Report](#), January 2015.



Under either approach, the need for a premium rate increase should be driven by projected lifetime loss ratios also, rather than actual past experience alone. Despite the relatively straightforward mathematical calculations to determine premium increases, determining projection assumptions (e.g., whether actual historical experience is sufficiently credible to justify changes in future projected assumptions) can be difficult.

Some assumptions have a higher degree of credibility earlier in the life of a policy than others. For example, policy lapses are more likely to occur in the earlier years of the policy, and claim submissions are more likely to occur in later policy years. As such, actual lapse experience develops a higher degree of credibility in the earlier years of the business while actual claim experience has a lower degree of credibility in the earlier years of the business.

With LTCI it can take a long time from the purchase of a policy until the first time a claim is submitted, and this time period can be several decades for many individual policies. As such, there is often little claims experience to justify premium rate increases on a relatively young group of policy forms based on the experience of those forms alone. Section 3.2.1 of Actuarial Standard of Practice No. 18, *Long-Term Care Insurance*, requires actuaries to use alternative data sources such as public data or experience from the insurance company's older, similar policy forms for identifying reasonable assumptions.<sup>6</sup> Waiting until there is adequate claim information on each policy form could result in much larger, less affordable rate increases.

## Filing and Approval Process

The rate increase process can vary across state jurisdictions, and can be time-consuming. While a company prepares the same initial rate increase filing in each jurisdiction, the filings are addressed differently by many states. Each state/jurisdiction approval includes unique conditions. Approvals are often for different amounts, which sometimes may not be at an adequate level as determined by the company, with different administrative implementation rules and time frames for that approval to be effective.

Larger rate increase requests may experience delays in approval within a state, and depending on the time taken in the approval process might mean the insurer does not receive approval in the year filed, and for that missed year will need to be made up in later years, in the form of an even higher premium rate for that state. Similarly, if a state approves less than the needed increase, carriers will likely request additional increases to make up for the expected shortfall. Thus, the cumulative amount of the increase could be larger than the original request in that state.

It would be necessary to develop steps to improve the filing and approval process that consider regulatory requirements found in state laws and regulations, including:

- An insurer's thorough review signed by an actuary with LTCI experience identifying deterioration and migration from each of the initial pricing assumptions;
- Predesigned rules or guidelines for increase approval that take into account the necessary total increase or an implementation plan for a series of preferred rate increases;

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<sup>6</sup> Actuarial Standards Board, [Actuarial Standard of Practice No. 18, \*Long-Term Care Insurance\*](#), January 1999.

- Preset benefit reduction options that will be offered to policyholders in their effort to maintain the same premium level;
- Standardized dates and methods of implementing the rate increases nationally; and
- Seeking greater ability through enhanced standards at the Interstate Compact for premium rate increase approvals.<sup>7</sup>

## The Effects of Premium Rate Increases

LTCI premium rate increases may not align the premiums with the future benefits as well as one might otherwise expect because individual behavior may not align with predictions. There are several reasons for this.

First, an insurer may offer an opportunity to reduce benefits in order to keep the premium dollars a policyholder pays roughly equivalent after the premium rate increase versus before (e.g., reducing the daily maximum benefit). When offered, policyholders may select benefits that better match their current/anticipated health care needs. For example, many policyholders are in the position where they have higher maximum daily benefits than actual current cost of services because the policyholders originally purchased inflation coverage<sup>8</sup> to meet expected inflation needs but actual inflation turned out to be lower. A policyholder who has coverage limits significantly higher than the actual cost of LTC services may reduce their daily maximum coverage such that the premiums do not change and the new maximum benefit levels continue to remain higher than the actual cost of services. Similar examples may exist for lapsing of particular riders or other benefit options.

Second, many states' regulations require that a nonforfeiture benefit be given in lieu of lapse to those who cease paying premiums and whose

cumulative premium rate increases exceed a specific percentage based on the issue age of the policyholder. The nonforfeiture benefit is a paid-up benefit with a total policy limit that equals the premiums paid to date (less any claims paid), and payable according to the benefits of the policy had it not ceased to be premium-paying upon implementation of a premium rate increase. The insurer maintains a reserve for these remaining paid-up benefits. While this remaining nonforfeiture reserve is lower, the company will have a harder time monitoring residual benefits in cases in which there is a significant reduction in policyholder contact and no incentive to report an insured's death.

Finally, the policyholders who choose to lapse their policies or reduce their benefits may be the healthier policyholders, leaving the remaining pool of policyholders with higher average expected claims. Ideally, and to the extent the experience is credible, the morbidity experience following a premium rate increase should be compared to the morbidity of similar policies without a premium rate increase.

## Alternatives to a Premium Rate Increase

Insurers have routinely allowed insureds to reduce coverage by changing typical benefit options in order to help offset some or all of a rate increase. In recent years, in an effort to enable policyholders faced with a rate increase to retain significant coverage, some companies have started making available an option for policyholders to avoid the rate increase and keep their same premium by reducing the size of the future benefit increases for plans with automatic built-in inflation increases.

For example, policyholders would be able to keep their accrued benefit at their current inflation rate and only the future increases are lower

<sup>7</sup> The Interstate Insurance Product Regulation Compact allows member states to establish standards for long-term care insurance, among other insurance products. These insurance products are governed by the [Interstate Insurance Product Regulation Commission \(IIPRC\)](#), where there is a limited ability to control rate increases through reviews of rate filing standards.

<sup>8</sup> A popular inflation option selected by policyholders was the 5 percent option because states required LTC applicants to sign that they rejected this option, which often led to applicants selecting the 5 percent option. This inflation option turned out to be higher than actual LTC cost increases, leaving many policyholders with more coverage than needed.

than they would otherwise be. This is most effective as a conservation tool if it is done on an actuarially equivalent basis, meaning that the new prospective inflation accrual is set so that the present value of the expected reduction in benefits over time will be equal to the present value of the premium increase that is forgone. This is in contrast with most benefit reductions, which are in essence “partial surrenders” where there may be a reduction in the insurer’s liability.

When insureds reduce their benefits to help offset a rate increase, an insurer would expect some adverse selection—meaning that the healthier insureds are the ones reducing their benefits and thus the experience on the block will likely worsen over time. With the approach described above, there may be less adverse selection involved because the benefit reductions are gradual and may not become significant for many years.

In the past relatively few insureds have chosen to lapse their policies when premiums were increased and alternatives to the increase were offered. According to a 2010 report from Gen Re (a reinsurance company) based on an industry survey, lapses at the time of a rate increase were only higher than normal by 2.5 percent of the total policies exposed to an increase.<sup>9</sup> The low 2.5 percent extra lapse rate suggests that the increases were generally affordable for the vast majority of policyholders, which is likely due to LTC insurance purchasers being in the higher income and asset demographics than non-purchasers.

## Conclusion

Predicting future policyholder and service provider behavior can be difficult. A means for taking corrective action to accommodate the changing future is important. The more conservative assumptions in today’s pricing of private LTCI and improved speed at taking corrective action should improve future projections, resulting in fewer and smaller rate increases.

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<sup>9</sup> The context for the premium rate increases at the time of the survey included: a low-interest-rate environment, generally lower-than-anticipated lapses and mortality, an average rate increase of about 25 percent in the survey, and premium price points that were generally at or below what policyholders could purchase at their attained ages.

Appendix E  
John Hancock Life Insurance Company (U.S.A.)  
ICC10-LTC-11

Standard rates per \$10 of Daily Coverage  
90 Day Elimination Period  
GPO Inflation

Age	Current Premium Rates						Proposed Premium Rates						Proposed Rate Increases					
	Benefit Period						Benefit Period						Benefit Period					
	2 Years	3 Years	4 Years	5 Years	6 Years	10 Years	2 Years	3 Years	4 Years	5 Years	6 Years	10 Years	2 Years	3 Years	4 Years	5 Years	6 Years	10 Years
18-29	23.00	27.00	29.00	31.00	32.00	38.00	30.15	35.40	38.02	40.64	41.95	49.82	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
30	23.00	27.00	29.00	31.00	32.00	42.00	30.15	35.40	38.02	40.64	41.95	55.06	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
31	24.00	28.00	30.00	32.00	33.00	43.00	31.47	36.71	39.33	41.95	43.26	56.38	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
32	25.00	29.00	31.00	33.00	34.00	45.00	32.78	38.02	40.64	43.26	44.58	59.00	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
33	25.00	29.00	32.00	34.00	35.00	47.00	32.78	38.02	41.95	44.58	45.89	61.62	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
34	26.00	30.00	33.00	35.00	36.00	48.00	34.09	39.33	43.26	45.89	47.20	62.93	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
35	27.00	31.00	34.00	36.00	37.00	50.00	35.40	40.64	44.58	47.20	48.51	65.55	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
36	28.00	32.00	36.00	38.00	39.00	52.00	36.71	41.95	47.20	49.82	51.13	68.17	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
37	29.00	33.00	37.00	40.00	42.00	54.00	38.02	43.26	48.51	52.44	55.06	70.80	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
38	30.00	34.00	39.00	43.00	44.00	56.00	39.33	44.58	51.13	56.38	57.69	73.42	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
39	31.00	36.00	42.00	45.00	47.00	59.00	40.64	47.20	55.06	59.00	61.62	77.35	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
40	32.00	37.00	44.00	47.00	49.00	61.00	41.95	48.51	57.69	61.62	64.24	79.97	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
41	33.00	39.00	45.00	48.00	51.00	64.00	43.26	51.13	59.00	62.93	66.86	83.91	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
42	34.00	40.00	47.00	50.00	53.00	66.00	44.58	52.44	61.62	65.55	69.49	86.53	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
43	35.00	43.00	49.00	51.00	54.00	70.00	45.89	56.38	64.24	66.86	70.80	91.77	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
44	36.00	44.00	50.00	53.00	56.00	73.00	47.20	57.69	65.55	69.49	73.42	95.71	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
45	37.00	46.00	52.00	55.00	58.00	75.00	48.51	60.31	68.17	72.11	76.04	98.33	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
46	39.00	48.00	54.00	57.00	60.00	79.00	51.13	62.93	70.80	74.73	78.66	103.57	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
47	40.00	50.00	56.00	59.00	62.00	82.00	52.44	65.55	73.42	77.35	81.29	107.51	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
48	43.00	52.00	57.00	61.00	64.00	86.00	56.38	68.17	74.73	79.97	83.91	112.75	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
49	45.00	54.00	59.00	64.00	67.00	90.00	59.00	70.80	77.35	83.91	87.84	117.99	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
50	46.00	56.00	61.00	66.00	70.00	94.00	60.31	73.42	79.97	86.53	91.77	123.24	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
51	49.00	59.00	64.00	70.00	73.00	100.00	64.24	77.35	83.91	91.77	95.71	131.11	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
52	51.00	61.00	67.00	74.00	76.00	104.00	66.86	79.97	87.84	97.02	99.64	136.35	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
53	53.00	64.00	72.00	77.00	80.00	109.00	69.49	83.91	94.40	100.95	104.88	142.90	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
54	56.00	67.00	75.00	81.00	84.00	115.00	73.42	87.84	98.33	106.20	110.13	150.77	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
55	59.00	71.00	79.00	85.00	87.00	120.00	77.35	93.08	103.57	111.44	114.06	157.33	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
56	62.00	76.00	83.00	90.00	93.00	128.00	81.29	99.64	108.82	117.99	121.93	167.81	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
57	66.00	80.00	88.00	95.00	99.00	136.00	86.53	104.88	115.37	124.55	129.79	178.30	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
58	71.00	85.00	93.00	102.00	105.00	144.00	93.08	111.44	121.93	133.73	137.66	188.79	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
59	75.00	90.00	99.00	108.00	111.00	154.00	98.33	117.99	129.79	141.59	145.53	201.90	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
60	79.00	95.00	105.00	114.00	118.00	164.00	103.57	124.55	137.66	149.46	154.70	215.01	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
61	85.00	103.00	113.00	124.00	128.00	176.00	111.44	135.04	148.15	162.57	167.81	230.74	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
62	91.00	111.00	122.00	134.00	138.00	191.00	119.31	145.53	159.95	175.68	180.92	250.41	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
63	99.00	120.00	133.00	144.00	149.00	206.00	129.79	157.33	174.37	188.79	195.35	270.08	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
64	107.00	130.00	143.00	157.00	162.00	222.00	140.28	170.44	187.48	205.83	212.39	291.05	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
65	115.00	140.00	155.00	169.00	175.00	240.00	150.77	183.55	203.21	221.57	229.43	314.65	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
66	126.00	154.00	170.00	185.00	191.00	262.00	165.19	201.90	222.88	242.54	250.41	343.50	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
67	136.00	168.00	186.00	201.00	209.00	285.00	178.30	220.26	243.86	263.52	274.01	373.65	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
68	148.00	184.00	204.00	219.00	228.00	311.00	194.04	241.23	267.45	287.12	298.92	407.74	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
69	162.00	202.00	224.00	240.00	249.00	339.00	212.39	264.83	293.68	314.65	326.45	444.45	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
70	176.00	221.00	245.00	262.00	272.00	371.00	230.74	289.74	321.21	343.50	356.61	486.40	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
71	194.00	243.00	269.00	289.00	303.00	405.00	254.34	318.59	352.67	378.89	397.25	530.98	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
72	212.00	266.00	295.00	319.00	337.00	441.00	277.94	348.74	386.76	418.23	441.82	578.17	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
73	233.00	291.00	323.00	352.00	376.00	482.00	305.47	381.52	423.47	461.49	492.95	631.93	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
74	254.00	318.00	354.00	388.00	418.00	525.00	333.01	416.91	464.11	508.69	548.02	688.30	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
75	278.00	348.00	388.00	429.00	466.00	573.00	364.47	456.25	508.69	562.44	610.95	751.23	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
76	308.00	388.00	432.00	476.00	518.00	627.00	403.80	508.69	566.37	624.06	679.12	822.03	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
77	343.00	433.00	481.00	529.00	576.00	686.00	449.69	567.68	630.62	693.55	755.16	899.38	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
78	380.00	483.00	536.00	589.00	640.00	750.00	498.20	633.24	702.72	772.21	839.07	983.29	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
79	420.00	538.00	596.00	654.00	711.00	821.00	550.64	705.35	781.39	857.43	932.16	1076.37	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
80	689.00						903.31						31.1%					
81	744.00						975.42						31.1%					
82	802.00						1051.46						31.1%					
83	867.00						1136.68						31.1%					
84	935.00						1225.83						31.1%					
85	1009.00						1322.85						31.1%					
86	1075.00						1409.38						31.1%					
87	1146.00						1502.46						31.1%					
88	1221.00						1600.79						31.1%					
89	1302.00						1706.99						31.1%					
90	1387.00						1818.43						31.1%					
91+																		

Rates shown below the line apply only to attained age GPO or GIO purchases, Shared Care 2-year purchases on exhaustion of benefits, and/or Family Care purchases



Appendix E  
John Hancock Life Insurance Company (U.S.A.)  
ICC10-LTC-11

Standard rates per \$10 of Daily Coverage  
90 Day Elimination Period  
CPI Compound Inflation

Age	Current Premium Rates						Proposed Premium Rates						Proposed Rate Increases					
	Benefit Period						Benefit Period						Benefit Period					
	2 Years	3 Years	4 Years	5 Years	6 Years	10 Years	2 Years	3 Years	4 Years	5 Years	6 Years	10 Years	2 Years	3 Years	4 Years	5 Years	6 Years	10 Years
18-29	61.00	74.00	80.00	85.00	87.00	115.00	72.88	88.42	95.58	101.56	103.95	137.40	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
30	65.00	78.00	84.00	88.00	90.00	121.00	77.66	93.20	100.36	105.14	107.53	144.57	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
31	66.00	79.00	85.00	89.00	91.00	124.00	78.86	94.39	101.56	106.34	108.73	148.16	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
32	67.00	80.00	87.00	90.00	93.00	126.00	80.05	95.58	103.95	107.53	111.12	150.55	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
33	67.00	82.00	88.00	92.00	94.00	128.00	80.05	97.97	105.14	109.92	112.31	152.94	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
34	69.00	83.00	90.00	93.00	97.00	130.00	82.44	99.17	107.53	111.12	115.90	155.33	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
35	70.00	84.00	91.00	94.00	98.00	132.00	83.64	100.36	108.73	112.31	117.09	157.71	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
36	71.00	85.00	93.00	97.00	100.00	134.00	84.83	101.56	111.12	115.90	119.48	160.10	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
37	73.00	87.00	95.00	99.00	102.00	137.00	87.22	103.95	113.51	118.29	121.87	163.69	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
38	74.00	88.00	98.00	101.00	103.00	139.00	88.42	105.14	117.09	120.68	123.07	166.08	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
39	76.00	90.00	100.00	103.00	105.00	142.00	90.81	107.53	119.48	123.07	125.45	169.66	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
40	77.00	91.00	102.00	105.00	107.00	144.00	92.00	108.73	121.87	125.45	127.84	172.05	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
41	79.00	93.00	104.00	107.00	109.00	147.00	94.39	111.12	124.26	127.84	130.23	175.64	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
42	80.00	95.00	106.00	110.00	112.00	151.00	95.58	113.51	126.65	131.43	133.82	180.42	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
43	82.00	98.00	107.00	112.00	114.00	154.00	97.97	117.09	127.84	133.82	136.21	184.00	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
44	84.00	100.00	109.00	114.00	116.00	157.00	100.36	119.48	130.23	136.21	138.60	187.58	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
45	86.00	102.00	111.00	116.00	119.00	160.00	102.75	121.87	132.62	138.60	142.18	191.17	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
46	88.00	104.00	113.00	118.00	121.00	164.00	105.14	124.26	135.01	140.99	144.57	195.95	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
47	89.00	106.00	116.00	121.00	124.00	167.00	106.34	126.65	138.60	144.57	148.16	199.53	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
48	91.00	108.00	118.00	124.00	127.00	171.00	108.73	129.04	140.99	148.16	151.74	204.31	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
49	92.00	110.00	120.00	126.00	129.00	175.00	109.92	131.43	143.38	150.55	154.13	209.09	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
50	94.00	113.00	122.00	129.00	132.00	180.00	112.31	135.01	145.77	154.13	157.71	215.07	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
51	98.00	116.00	127.00	133.00	136.00	185.00	117.09	138.60	151.74	158.91	162.49	221.04	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
52	101.00	119.00	131.00	137.00	140.00	190.00	120.68	142.18	156.52	163.69	167.27	227.01	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
53	104.00	122.00	135.00	141.00	144.00	196.00	124.26	145.77	161.30	168.47	172.05	234.18	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
54	107.00	126.00	139.00	146.00	149.00	201.00	127.84	150.55	166.08	174.44	178.03	240.16	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
55	110.00	130.00	144.00	151.00	154.00	208.00	131.43	155.33	172.05	180.42	184.00	248.52	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
56	115.00	135.00	149.00	157.00	161.00	216.00	137.40	161.30	178.03	187.58	192.36	258.08	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
57	119.00	140.00	156.00	163.00	167.00	225.00	142.18	167.27	186.39	194.75	199.53	268.83	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
58	125.00	145.00	162.00	169.00	173.00	234.00	149.35	173.25	193.56	201.92	206.70	279.59	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
59	129.00	152.00	169.00	176.00	181.00	244.00	154.13	181.61	201.92	210.29	216.26	291.53	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
60	134.00	158.00	175.00	184.00	188.00	253.00	160.10	188.78	209.09	219.84	224.62	302.29	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
61	142.00	167.00	186.00	194.00	199.00	269.00	169.66	199.53	222.23	231.79	237.77	321.40	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
62	151.00	177.00	197.00	207.00	212.00	284.00	180.42	211.48	235.38	247.33	253.30	339.33	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
63	160.00	188.00	210.00	219.00	224.00	301.00	191.17	224.62	250.91	261.66	267.64	359.64	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
64	169.00	199.00	222.00	231.00	238.00	319.00	201.92	237.77	265.25	276.00	284.36	381.14	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
65	180.00	211.00	236.00	246.00	252.00	338.00	215.07	252.10	281.97	293.92	301.09	403.85	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
66	192.00	226.00	251.00	264.00	271.00	364.00	229.40	270.03	299.90	315.43	323.79	434.91	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
67	204.00	244.00	268.00	283.00	292.00	393.00	243.74	291.53	320.21	338.13	348.88	469.56	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
68	219.00	262.00	286.00	304.00	315.00	424.00	261.66	313.04	341.72	363.22	376.36	506.60	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
69	234.00	281.00	305.00	326.00	338.00	458.00	279.59	335.74	364.42	389.51	403.85	547.22	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
70	250.00	302.00	326.00	350.00	364.00	493.00	298.70	360.83	389.51	418.18	434.91	589.04	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
71	268.00	323.00	356.00	384.00	402.00	531.00	320.21	385.92	425.35	458.81	480.31	634.44	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
72	288.00	346.00	387.00	421.00	442.00	572.00	344.10	413.40	462.39	503.01	528.11	683.43	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
73	308.00	371.00	422.00	463.00	486.00	617.00	368.00	443.27	504.21	553.20	580.68	737.20	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
74	330.00	398.00	461.00	509.00	536.00	663.00	394.29	475.53	550.81	608.16	640.42	792.16	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
75	354.00	426.00	502.00	559.00	589.00	714.00	422.96	508.99	599.79	667.90	703.74	853.09	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
76	391.00	471.00	554.00	614.00	648.00	790.00	467.17	562.75	661.92	733.61	774.24	943.90	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
77	433.00	523.00	610.00	677.00	713.00	874.00	517.35	624.89	728.83	808.89	851.90	1044.26	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
78	480.00	579.00	674.00	744.00	785.00	967.00	573.51	691.79	805.30	888.94	937.92	1155.38	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
79	529.00	641.00	743.00	818.00	864.00	1070.00	632.05	765.87	887.74	977.35	1032.31	1278.45	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
80	869.00						1038.29						19.5%					
81	929.00						1109.98						19.5%					
82	992.00						1185.25						19.5%					
83	1061.00						1267.69						19.5%					
84	1133.00						1353.72						19.5%					
85	1211.00						1446.91						19.5%					
86	1279.00						1528.16						19.5%					
87	1350.00						1612.99						19.5%					
88	1425.00						1702.60						19.5%					
89	1505.00						1798.19						19.5%					
90	1588.00						1897.36						19.5%					
91+																		

Rates shown below the line apply only to attained age GPO or GIO purchases, Shared Care 2-year purchases on exhaustion of benefits, and/or Family Care purchases

Appendix E  
John Hancock Life Insurance Company (U.S.A.)  
ICC10-LTC-11

Standard rates per \$10 of Daily Coverage  
90 Day Elimination Period  
CPI Inflation to 75

Age	Current Premium Rates						Proposed Premium Rates						Proposed Rate Increases					
	Benefit Period						Benefit Period						Benefit Period					
	2 Years	3 Years	4 Years	5 Years	6 Years	10 Years	2 Years	3 Years	4 Years	5 Years	6 Years	10 Years	2 Years	3 Years	4 Years	5 Years	6 Years	10 Years
18-29	52.00	63.00	69.00	73.00	75.00	100.00	62.13	75.27	82.44	87.22	89.61	119.48	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
30	55.00	66.00	72.00	76.00	78.00	105.00	65.71	78.86	86.03	90.81	93.20	125.45	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
31	56.00	67.00	73.00	77.00	79.00	107.00	66.91	80.05	87.22	92.00	94.39	127.84	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
32	57.00	69.00	74.00	78.00	80.00	108.00	68.10	82.44	88.42	93.20	95.58	129.04	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
33	57.00	69.00	75.00	79.00	81.00	110.00	68.10	82.44	89.61	94.39	96.78	131.43	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
34	58.00	70.00	76.00	80.00	82.00	111.00	69.30	83.64	90.81	95.58	97.97	132.62	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
35	59.00	71.00	77.00	81.00	83.00	113.00	70.49	84.83	92.00	96.78	99.17	135.01	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
36	60.00	72.00	79.00	83.00	85.00	115.00	71.69	86.03	94.39	99.17	101.56	137.40	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
37	61.00	73.00	80.00	84.00	86.00	117.00	72.88	87.22	95.58	100.36	102.75	139.79	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
38	62.00	75.00	82.00	86.00	88.00	119.00	74.08	89.61	97.97	102.75	105.14	142.18	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
39	63.00	76.00	84.00	87.00	89.00	122.00	75.27	90.81	100.36	103.95	106.34	145.77	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
40	64.00	77.00	86.00	89.00	91.00	125.00	76.47	92.00	102.75	106.34	108.73	149.35	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
41	65.00	78.00	87.00	91.00	93.00	127.00	77.66	93.20	103.95	108.73	111.12	151.74	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
42	66.00	80.00	88.00	92.00	95.00	129.00	78.86	95.58	105.14	109.92	113.51	154.13	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
43	69.00	81.00	90.00	94.00	97.00	132.00	82.44	96.78	107.53	112.31	115.90	157.71	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
44	70.00	83.00	91.00	97.00	99.00	134.00	83.64	99.17	108.73	115.90	118.29	160.10	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
45	72.00	84.00	92.00	98.00	101.00	136.00	86.03	100.36	109.92	117.09	120.68	162.49	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
46	73.00	86.00	94.00	100.00	103.00	139.00	87.22	102.75	112.31	119.48	123.07	166.08	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
47	74.00	88.00	97.00	102.00	105.00	142.00	88.42	105.14	115.90	121.87	125.45	169.66	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
48	75.00	89.00	98.00	104.00	107.00	145.00	89.61	106.34	117.09	124.26	127.84	173.25	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
49	76.00	91.00	100.00	106.00	109.00	148.00	90.81	108.73	119.48	126.65	130.23	176.83	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
50	78.00	93.00	102.00	108.00	111.00	152.00	93.20	111.12	121.87	129.04	132.62	181.61	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
51	80.00	95.00	105.00	111.00	114.00	156.00	95.58	113.51	125.45	132.62	136.21	186.39	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
52	82.00	98.00	108.00	114.00	117.00	161.00	97.97	117.09	129.04	136.21	139.79	192.36	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
53	84.00	101.00	111.00	117.00	120.00	165.00	100.36	120.68	132.62	139.79	143.38	197.14	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
54	86.00	103.00	115.00	121.00	125.00	169.00	102.75	123.07	137.40	144.57	149.35	201.92	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
55	89.00	106.00	118.00	125.00	128.00	174.00	106.34	126.65	140.99	149.35	152.94	207.90	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
56	92.00	110.00	122.00	130.00	133.00	182.00	109.92	131.43	145.77	155.33	158.91	217.46	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
57	95.00	114.00	128.00	135.00	138.00	188.00	113.51	136.21	152.94	161.30	164.88	224.62	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
58	100.00	118.00	133.00	140.00	143.00	195.00	119.48	140.99	158.91	167.27	170.86	232.99	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
59	104.00	122.00	137.00	145.00	149.00	202.00	124.26	145.77	163.69	173.25	178.03	241.35	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
60	107.00	128.00	143.00	151.00	155.00	211.00	127.84	152.94	170.86	180.42	185.20	252.10	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
61	113.00	135.00	152.00	160.00	164.00	223.00	135.01	161.30	181.61	191.17	195.95	266.44	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
62	120.00	142.00	160.00	169.00	173.00	236.00	143.38	169.66	191.17	201.92	206.70	281.97	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
63	127.00	151.00	170.00	180.00	184.00	249.00	151.74	180.42	203.12	215.07	219.84	297.51	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
64	134.00	159.00	180.00	190.00	195.00	264.00	160.10	189.97	215.07	227.01	232.99	315.43	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
65	142.00	168.00	191.00	200.00	207.00	279.00	169.66	200.73	228.21	238.96	247.33	333.35	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
66	152.00	181.00	203.00	215.00	222.00	301.00	181.61	216.26	242.55	256.88	265.25	359.64	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
67	162.00	194.00	217.00	230.00	239.00	325.00	193.56	231.79	259.27	274.81	285.56	388.31	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
68	172.00	209.00	231.00	247.00	257.00	350.00	205.51	249.72	276.00	295.12	307.07	418.18	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
69	185.00	224.00	246.00	266.00	277.00	377.00	221.04	267.64	293.92	317.82	330.96	450.44	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
70	197.00	241.00	263.00	284.00	298.00	407.00	235.38	287.95	314.23	339.33	356.05	486.29	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
71	213.00	262.00	288.00	313.00	332.00	440.00	254.49	313.04	344.10	373.98	396.68	525.72	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
72	229.00	284.00	313.00	342.00	365.00	473.00	273.61	339.33	373.98	408.62	436.11	565.14	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
73	246.00	305.00	338.00	371.00	399.00	507.00	293.92	364.42	403.85	443.27	476.73	605.77	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
74	262.00	327.00	363.00	400.00	432.00	540.00	313.04	390.70	433.72	477.92	516.16	645.20	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
75	278.00	348.00	388.00	429.00	466.00	573.00	332.16	415.79	463.59	512.57	556.78	684.63	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
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Rates shown below the line apply only to attained age GPO or GIO purchases, Shared Care 2-year purchases on exhaustion of benefits, and/or Family Care purchases

Appendix E  
John Hancock Life Insurance Company (U.S.A.)  
ICC10-LTC-11

Standard rates per \$10 of Daily Coverage  
90 Day Elimination Period  
5% Compound Inflation

Age	Current Premium Rates						Proposed Premium Rates						Proposed Rate Increases					
	Benefit Period						Benefit Period						Benefit Period					
	2 Years	3 Years	4 Years	5 Years	6 Years	10 Years	2 Years	3 Years	4 Years	5 Years	6 Years	10 Years	2 Years	3 Years	4 Years	5 Years	6 Years	10 Years
18-29	162.00	198.00	215.00	227.00	234.00	308.00	212.39	259.59	281.88	297.61	306.79	403.80	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
30	170.00	207.00	227.00	239.00	245.00	324.00	222.88	271.39	297.61	313.34	321.21	424.78	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
31	171.00	208.00	228.00	240.00	246.00	326.00	224.19	272.70	298.92	314.65	322.52	427.40	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
32	172.00	209.00	229.00	241.00	247.00	328.00	225.50	274.01	300.23	315.96	323.83	430.02	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
33	172.00	210.00	231.00	243.00	248.00	329.00	225.50	275.32	302.85	318.59	325.14	431.34	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
34	173.00	211.00	233.00	244.00	249.00	331.00	226.81	276.63	305.47	319.90	326.45	433.96	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
35	174.00	212.00	234.00	245.00	250.00	333.00	228.12	277.94	306.79	321.21	327.76	436.58	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
36	175.00	213.00	235.00	246.00	251.00	335.00	229.43	279.25	308.10	322.52	329.07	439.20	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
37	176.00	214.00	236.00	247.00	253.00	336.00	230.74	280.56	309.41	323.83	331.70	440.51	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
38	177.00	216.00	237.00	249.00	254.00	338.00	232.06	283.19	310.72	326.45	333.01	443.14	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
39	179.00	217.00	238.00	250.00	256.00	339.00	234.68	284.50	312.03	327.76	335.63	444.45	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
40	180.00	218.00	239.00	251.00	257.00	342.00	235.99	285.81	313.34	329.07	336.94	448.38	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
41	181.00	219.00	240.00	252.00	258.00	344.00	237.30	287.12	314.65	330.38	338.25	451.00	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
42	182.00	220.00	241.00	253.00	260.00	345.00	238.61	288.43	315.96	331.70	340.87	452.31	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
43	183.00	221.00	242.00	254.00	261.00	346.00	239.92	289.74	317.27	333.01	342.18	453.62	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
44	184.00	222.00	244.00	255.00	262.00	348.00	241.23	291.05	319.90	334.32	343.50	456.25	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
45	185.00	223.00	245.00	256.00	263.00	349.00	242.54	292.36	321.21	335.63	344.81	457.56	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
46	186.00	224.00	245.00	256.00	263.00	351.00	243.86	293.68	321.21	335.63	344.81	460.18	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
47	187.00	225.00	246.00	257.00	264.00	354.00	245.17	294.99	322.52	336.94	346.12	464.11	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
48	188.00	225.00	247.00	257.00	264.00	356.00	246.48	294.99	323.83	336.94	346.12	466.73	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
49	189.00	226.00	247.00	258.00	265.00	358.00	247.79	296.30	323.83	338.25	347.43	469.36	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
50	190.00	227.00	248.00	260.00	266.00	361.00	249.10	297.61	325.14	340.87	348.74	473.29	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
51	192.00	229.00	251.00	262.00	269.00	364.00	251.72	300.23	329.07	343.50	352.67	477.22	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
52	193.00	233.00	254.00	265.00	272.00	368.00	253.03	305.47	333.01	347.43	356.61	482.47	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
53	195.00	235.00	257.00	268.00	275.00	372.00	255.65	308.10	336.94	351.36	360.54	487.71	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
54	197.00	238.00	260.00	271.00	278.00	376.00	258.28	312.03	340.87	355.29	364.47	492.95	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
55	199.00	241.00	263.00	274.00	281.00	379.00	260.90	315.96	344.81	359.23	368.41	496.89	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
56	202.00	245.00	268.00	279.00	286.00	387.00	264.83	321.21	351.36	365.78	374.96	507.38	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
57	207.00	250.00	273.00	284.00	293.00	395.00	271.39	327.76	357.92	372.34	384.14	517.86	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
58	211.00	254.00	278.00	291.00	298.00	404.00	276.63	333.01	364.47	381.52	390.69	529.66	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
59	215.00	260.00	282.00	296.00	304.00	413.00	281.88	340.87	369.72	388.07	398.56	541.46	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
60	219.00	265.00	288.00	301.00	309.00	421.00	287.12	347.43	377.58	394.63	405.11	551.95	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
61	228.00	276.00	301.00	315.00	323.00	440.00	298.92	361.85	394.63	412.98	423.47	576.86	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
62	238.00	288.00	315.00	328.00	336.00	460.00	312.03	377.58	412.98	430.02	440.51	603.08	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
63	248.00	300.00	328.00	342.00	351.00	480.00	325.14	393.32	430.02	448.38	460.18	629.30	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
64	260.00	312.00	343.00	356.00	365.00	501.00	340.87	409.05	449.69	466.73	478.53	656.84	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
65	271.00	326.00	358.00	372.00	381.00	523.00	355.29	427.40	469.36	487.71	499.51	685.68	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
66	283.00	343.00	375.00	392.00	405.00	546.00	371.03	449.69	491.64	513.93	530.98	715.83	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
67	297.00	359.00	393.00	413.00	430.00	571.00	389.38	470.67	515.24	541.46	563.75	748.61	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
68	310.00	378.00	412.00	436.00	456.00	596.00	406.43	495.58	540.15	571.62	597.84	781.39	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
69	325.00	397.00	432.00	460.00	485.00	623.00	426.09	520.49	566.37	603.08	635.86	816.78	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
70	340.00	417.00	453.00	486.00	514.00	650.00	445.76	546.71	593.91	637.17	673.88	852.18	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
71	372.00	446.00	493.00	528.00	561.00	702.00	487.71	584.73	646.35	692.23	735.50	920.36	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
72	406.00	477.00	536.00	576.00	611.00	758.00	532.29	625.37	702.72	755.16	801.05	993.78	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
73	442.00	512.00	583.00	627.00	666.00	818.00	579.48	671.26	764.34	822.03	873.16	1072.44	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
74	483.00	547.00	634.00	683.00	727.00	883.00	633.24	717.14	831.21	895.45	953.13	1157.66	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
75	527.00	585.00	690.00	744.00	792.00	954.00	690.92	766.96	904.62	975.42	1038.35	1250.74	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
76	561.00	640.00	756.00	818.00	869.00	1044.00	735.50	839.07	991.15	1072.44	1139.30	1368.74	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
77	595.00	701.00	827.00	900.00	953.00	1143.00	780.07	919.05	1084.24	1179.95	1249.43	1498.53	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
78	631.00	767.00	906.00	989.00	1044.00	1251.00	827.27	1005.58	1187.81	1296.63	1368.74	1640.12	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
79	671.00	839.00	991.00	1088.00	1145.00	1368.00	879.71	1099.97	1299.25	1426.42	1501.15	1793.52	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
80	1056.00						1384.47						31.1%					
81	1119.00						1467.07						31.1%					
82	1186.00						1554.91						31.1%					
83	1257.00						1647.99						31.1%					
84	1333.00						1747.63						31.1%					
85	1412.00						1851.20						31.1%					
86	1497.00						1962.64						31.1%					
87	1591.00						2085.88						31.1%					
88	1691.00						2216.99						31.1%					
89	1797.00						2355.96						31.1%					
90	1910.00						2504.11						31.1%					
91+																		

Rates shown below the line apply only to attained age GPO or GIO purchases,  
Shared Care 2-year purchases on exhaustion of benefits, and/or Family Care  
purchases

**John Hancock Life Insurance Company (U.S.A.)**  
**Actuarial Memorandum for Inforce Rate Increase – Custom Care III**  
**January 23, 2023**

<u>Product Name</u>	<u>Form Number</u>	<u>Issue Date Range</u>
Custom Care III	ICC10-LTC-11	Jun 2011 - Feb 2013

**These policy form rates were originally priced with a margin for moderately adverse experience in accordance with the NAIC model rate stability regulations.**

### **1. Scope & Purpose**

This memorandum consists of materials which support the development of new premium rates for the above captioned policy series forms. The purpose of this memorandum is to demonstrate that the requirements of this State in regards to an in force rate increase request have been met. This rate filing is not intended to be used for any other purpose.

### **2. Benefit Description(s)**

A brief policy description for each of the policy forms:

#### ICC10-LTC-11

Individually underwritten long-term care policies that provide comprehensive long-term care coverage for care received in a nursing home or assisted care living facility, home health care, hospice care, respite care, or attendance at an Adult Day Care Center providing Adult Day Care.

Provides reimbursement of covered long-term care expenses incurred after an elected elimination period is met, up to the maximum daily/monthly amount. The benefit eligibility is determined based on the insured's cognitive impairment or their requiring physical assistance to perform two out of six activities of daily living (ADLs) of bathing, dressing, eating, toileting, transferring and maintaining continence.

Premiums are waived after the insured has met the elimination period and is receiving benefits and will continue to be waived until the insured stops receiving such benefits.

### **3. Renewability**

All policy forms are guaranteed renewable.

### **4. Applicability**

This filing is applicable to in force policies only, as these policy forms are no longer being sold in the market. The premium changes will apply to the base forms as well as all applicable riders.

### **5. Actuarial Assumptions**

Our nationwide assumptions for morbidity, voluntary termination rates, and mortality are the same as our best estimate assumptions used for AG51 and GPV projections, with one exception. A shock lapse rate is applied in rate increase filings as described below, but the benefit of shock lapse is not reflected within our AG51 and GPV projections. Also, to be consistent with the original pricing projections we have removed morbidity and mortality improvements.



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For both mortality and morbidity, adjustments were made in the experience analysis to normalize for differences in underwriting by setting different expectations by issue year/product series which are proxies for underwriting era.

**Morbidity**

The morbidity assumptions are derived from our own experience, following our most recent comprehensive claim study completed in 2019. The study analyzed all major components of morbidity including incidence, claim terminations due to recovery or death, and benefit utilization across many attributes, focusing on the 5-year period of 2013-2017. The study has been peer reviewed both internally as well as by an Independent third party.

Our claims projections include no future morbidity improvement and a 10.0% margin for moderately adverse experience consistent with the margin originally anticipated in our original pricing loss ratio.

*Methodology Change - Representation of Morbidity*

In prior filings, our morbidity assumption was presented as expected claim costs for a sample policy. Going forward morbidity assumptions will be represented more granularly by incidence, claim termination, and utilization rate assumptions.

To better illustrate our most recent assumption changes, the prior assumptions are presented below their respective current assumptions. Note that a claim is defined as an approved claim, whether or not any dollar amounts have been paid.

*Incidence*

Incidence rates are the likelihood a policyholder will go on claim during a given duration. Incidence rates vary by a number of parameters, including issue age, attained age, issue year, policy duration, gender, marital status, risk class, benefit period, and product.

Below are currently expected sample incidence rates before future morbidity improvements for an ICC10-LTC11 policy with the following attributes: Standard risk class, Female, Single, 90 day Elimination Period, Policy Issued 2011 (in force 8 policy years as of 2019).

<b>Policy Duration</b>	<b>5 Year Benefit Period</b>			<b>Lifetime Benefit Period</b>		
	<b>Issue Age</b>			<b>Issue Age</b>		
	<b>55</b>	<b>65</b>	<b>75</b>	<b>55</b>	<b>65</b>	<b>75</b>
9	0.23%	1.13%	5.76%	0.27%	1.32%	6.71%
14	0.52%	2.80%	11.60%	0.61%	3.26%	13.43%
19	1.20%	5.78%	18.36%	1.40%	6.73%	21.12%
24	2.74%	10.41%	22.20%	3.19%	12.07%	25.43%

Below are expected incidence rates from the prior assumptions before future morbidity improvements for an ICC10-LTC11 policy with the following attributes: Standard risk class, Female, Single, 90 day EP, Policy Issued 2011:

<b>5 Year Benefit Period</b>	<b>Lifetime Benefit Period</b>
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Policy Duration	Issue Age			Issue Age		
	55	65	75	55	65	75
9	0.22%	1.10%	5.21%	0.26%	1.28%	6.07%
14	0.55%	2.66%	10.62%	0.64%	3.10%	12.31%
19	1.20%	5.91%	17.29%	1.40%	6.88%	19.91%
24	2.62%	10.52%	19.22%	3.06%	12.20%	22.10%

Comparison (Current/Prior)

Policy Duration	5 Year Benefit Period			Lifetime Benefit Period		
	Issue Age			Issue Age		
	55	65	75	55	65	75
9	105%	103%	111%	105%	103%	111%
14	95%	105%	109%	95%	105%	109%
19	100%	98%	106%	100%	98%	106%
24	104%	99%	116%	104%	99%	115%

*Claim Terminations*

Claim termination rates are the likelihood a policyholder will either die while on claim or recover and re-enter the active population. Termination rates vary by a number of parameters, including incurral age, duration on claim, gender, marital status, benefit period, and type of coverage.

Below are currently expected sample termination rates for an ICC10-LTC11 policy with the following attributes: Standard risk class, Female, Issue Age 55, Single, 90 day Elimination Period.

Months on Claim	5 Year Benefit Period			Lifetime Benefit Period		
	Attained Age at Claim			Attained Age at Claim		
	75	85	95	75	85	95
1	7.17%	5.92%	6.26%	6.50%	5.36%	5.68%
3	6.21%	5.12%	5.42%	5.63%	4.64%	4.92%
6	3.50%	3.07%	2.93%	2.99%	2.62%	2.50%
12	1.82%	1.73%	2.07%	1.55%	1.47%	1.77%
24	1.67%	1.87%	2.09%	1.43%	1.59%	1.79%
36	1.51%	1.98%	2.48%	1.29%	1.69%	2.11%
60	1.94%	2.45%	3.00%	1.65%	2.09%	2.55%
90	1.90%	3.03%	3.69%	1.62%	2.58%	3.14%
120	1.90%	3.03%	3.69%	1.62%	2.58%	3.14%

Below are the pre-basis change expected termination rates for an ICC10-LTC11 policy with the following attributes: Standard risk class, Female, Single, 90 day EP, Issue Age 55.

5 Year Benefit Period	Lifetime Benefit Period
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Months on Claim	Attained Age at Claim			Attained Age at Claim		
	75	85	95	75	85	95
1	9.75%	7.98%	9.37%	7.83%	6.41%	7.53%
3	8.44%	6.91%	8.12%	6.78%	5.55%	6.52%
6	3.22%	2.76%	2.76%	2.95%	2.53%	2.53%
12	1.66%	1.55%	1.95%	1.53%	1.42%	1.79%
24	1.53%	1.67%	1.97%	1.40%	1.54%	1.81%
36	1.38%	1.78%	2.33%	1.26%	1.63%	2.14%
60	1.76%	2.19%	2.82%	1.61%	2.01%	2.58%
90	1.73%	2.71%	3.47%	1.58%	2.49%	3.18%
120	1.73%	2.71%	3.47%	1.58%	2.49%	3.18%

**Comparison (Current/Prior)**

Months on Claim	5 Year Benefit Period			Lifetime Benefit Period		
	Attained Age at Claim			Attained Age at Claim		
	75	85	95	75	85	95
1	74%	74%	67%	83%	84%	75%
3	74%	74%	67%	83%	84%	75%
6	109%	112%	106%	101%	104%	99%
12	109%	112%	106%	101%	104%	99%
24	109%	112%	106%	102%	104%	99%
36	110%	112%	106%	102%	104%	99%
60	110%	112%	106%	102%	104%	99%
90	110%	112%	106%	102%	104%	99%
120	110%	112%	106%	102%	104%	99%

**Utilization**

Utilization rates are the estimated percentage of the maximum daily benefit that a policyholder is expected to use. Benefit utilization rates vary by incurral year, duration from issue, inflation type and coverage type, policy form group, incurral age, gender, benefit period, issue age, and time on claim. Utilization does not vary by maximum daily benefit, however because there is a tendency toward a higher maximum daily benefit at lower issue ages, lower expected utilization is assumed for issue ages below age 60.

The future Cost of Care growth rate reflected in the utilization assumption is 4.5%.

Below are currently expected utilization rates for an ICC10-LTC11 policy with the following attributes: Standard risk class, Female, Issue Age 60, Single, 90 day Elimination Period, 3<sup>rd</sup> year of being on claim.

Policy	5 Year Benefit Period	Lifetime Benefit Period
	Inflation	Inflation

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Year of Incurral	GPO	5% Simple	5% Compound	CPI	GPO	5% Simple	5% Compound	CPI
9	73.31%	69.03%	60.81%	63.76%	75.63%	71.22%	62.74%	65.78%
14	72.78%	70.28%	59.95%	63.57%	75.08%	72.51%	61.85%	65.58%
19	72.30%	72.00%	59.18%	63.33%	74.58%	74.28%	61.05%	65.33%
24	71.80%	73.82%	58.38%	63.24%	74.07%	76.15%	60.23%	65.24%

Below are the expected utilization rates from the prior assumptions for an ICC10-LTC11 policy with the following attributes: Standard risk class, Female, Single, 100 day EP, Issue Age 60, 3<sup>rd</sup> year of being on claim.

Policy Year of Incurral	5 Year Benefit Period				Lifetime Benefit Period			
	Inflation				Inflation			
	GPO	5% Simple	5% Compound	CPI	GPO	5% Simple	5% Compound	CPI
9	76.87%	69.70%	61.88%	61.51%	78.51%	71.19%	63.21%	62.82%
14	78.70%	70.90%	61.17%	61.92%	80.39%	72.42%	62.48%	63.24%
19	79.75%	72.44%	60.44%	61.90%	81.46%	73.99%	61.73%	63.23%
24	80.30%	74.05%	59.69%	61.89%	82.02%	75.64%	60.97%	63.22%

Comparison (Current/Prior)

Policy Year of Incurral	5 Year Benefit Period				Lifetime Benefit Period			
	Inflation				Inflation			
	GPO	5% Simple	5% Compound	CPI	GPO	5% Simple	5% Compound	CPI
9	95%	99%	98%	103%	96%	100%	99%	105%
14	92%	99%	98%	102%	93%	100%	99%	104%
19	91%	99%	98%	102%	92%	100%	99%	103%
24	89%	100%	98%	102%	90%	101%	99%	103%

Voluntary Lapses

The voluntary lapse rates are based on our own experience between 2013 and 2017. Lapse rates vary by issue age, duration, and inflation option.

Duration	No Inflation			
	Issue Age			
	55	65	75	82
1	3.16%	3.53%	5.29%	5.86%
5	1.25%	1.15%	1.93%	3.09%
10	0.80%	1.17%	1.19%	1.67%
15	0.76%	1.18%	1.37%	2.13%
20	0.54%	1.00%	2.09%	2.13%

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25	0.59%	1.42%	2.13%	2.13%
30	0.76%	2.09%	2.13%	2.13%
35	1.42%	2.13%	2.13%	2.13%
40	2.09%	2.13%	2.13%	2.13%

Duration	Inflation			
	Issue Age			
	55	65	75	82
1	2.04%	2.68%	4.44%	3.85%
5	1.02%	1.11%	1.46%	1.13%
10	0.59%	0.81%	0.96%	0.99%
15	0.38%	0.63%	0.91%	2.00%
20	0.40%	0.61%	1.50%	2.19%
25	0.46%	1.24%	2.19%	2.19%
30	0.56%	2.19%	2.19%	2.19%
35	1.24%	2.19%	2.19%	2.19%
40	2.19%	2.19%	2.19%	2.19%

In addition to the lapse rates shown, we assume a 0.6% lapse rate due to the rate increase. The additional lapse rate is used to adjust future premiums and claims down by 0.6% starting at the expected date of the rate increase.

*Prior Lapse Rates*

The prior voluntary lapse rates based on our own experience between 2010 and 2015. Lapse rates vary by issue age, duration, and inflation option.

Duration	No Inflation			
	Issue Age			
	55	65	75	82
1	4.30%	4.45%	4.93%	6.25%
5	1.70%	1.45%	1.80%	3.15%
10	1.16%	1.17%	1.27%	1.55%
15	0.63%	1.05%	1.31%	1.98%
20	0.55%	0.81%	1.93%	1.98%
25	0.55%	1.45%	1.98%	1.98%
30	0.81%	1.94%	1.98%	1.98%
35	1.45%	1.98%	1.98%	1.98%
40	1.94%	1.98%	1.98%	1.98%

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Duration	Inflation			
	Issue Age			
	55	65	75	82
1	3.00%	3.00%	4.10%	4.10%
5	1.50%	1.25%	1.35%	1.15%
10	0.69%	0.77%	1.05%	0.91%
15	0.51%	0.67%	0.91%	1.85%
20	0.43%	0.60%	1.49%	2.03%
25	0.43%	1.27%	2.03%	2.03%
30	0.60%	2.03%	2.03%	2.03%
35	1.27%	2.03%	2.03%	2.03%
40	2.03%	2.03%	2.03%	2.03%

### Mortality

The mortality rates have been derived based on our own experience for the individual long-term care block of business over the five-year period from 2013 to 2017 on an Active Life basis.

In the 2019 mortality study, the company has updated the base table to the 2012 Individual Annuity Mortality (IAM) tables from the previously used 1994 Group Annuity Mortality (GAM) tables.

The base table is then adjusted based on the following factors:

- Issue age
- Duration
- Product and Risk Class
- Gender and Marital Status
- Underwriting eras (which captures underwriting changes and risk class assignment changes through different series of products)

The final mortality table is based on 2012 IAM with 7 years of historical mortality improvement (HMI) using projection G2 scale, with selection factors and adjustments to reflect the company's experience. Sample mortality rates before future mortality improvements are shown below:

Policy Duration	Standard Risk Class (Single, Female)		
	Issue Age		
	55	65	75
1	0.000	0.001	0.004
5	0.001	0.003	0.008
10	0.002	0.006	0.020
15	0.004	0.012	0.042
20	0.008	0.028	0.089
25	0.018	0.060	0.153
30	0.042	0.117	0.261

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No future mortality improvements are assumed which is consistent with original pricing assumptions.

*Methodology Change - Active Life Mortality*

In prior filings, mortality has been represented on a Total Life basis, including both Active Lives (those not on claim) and Disabled Lives (those on claim). To be consistent with our First Principles approach, we are now showing mortality rates that are applied to Active Lives.

Since the prior mortality rates provided were on a Total Life basis, we have developed what those mortality assumptions would have been on an Active Life basis for comparison to the new rates above.

The mortality rates in the prior study were derived based on our own experience for the individual long-term care block of business over the five-year period from March 2009 through March 2014.

The base mortality table was the unloaded 1994 Group Annuity Mortality Table, sex-distinct, with 22 years of historical improvements based on scale AA. Selection factors and adjustments were applied to reflect the company's experience. Sample mortality rates before future mortality improvements are shown below:

Policy Duration	Standard Risk Class (Single, Female)		
	Issue Age		
	55	65	75
1	0.001	0.001	0.004
5	0.001	0.003	0.009
10	0.003	0.007	0.019
15	0.005	0.016	0.055
20	0.008	0.029	0.097
25	0.019	0.064	0.164
30	0.041	0.124	0.271

We also included 10 years of projected future mortality improvement based on scale AA.

Expenses

Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate.

CPI Inflation Rate

At the time of pricing this product, John Hancock projected to enter into forward swaps to hedge inflation risk. These swaps drove the pricing of the product. The swaps were priced at an average rate 2.8%.

Due to inflation risk being hedged, we ensured that actual CPI rate never had an impact on rate increases by adjusting our original pricing loss ratio by reflecting actual past CPI in projected future claims. The projected CPI rate for both original pricing and best estimate cashflows reflects what our expectation for long-term inflation was back when the product was originally filed, which is 3.1% before issue year 2012 and 2.85% thereafter. We have not updated this rate as that would have no impact on rate increases as original pricing cashflows would also be changed, to ensure that changes in CPI do not impact rate increases.

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However, due to basis changes creating additional inflation risk exposure, more future swaps were purchased at the end of 2019 in order to hedge said exposure. These swaps were priced at a lower rate than what was priced originally. The average notional- and duration-weighted terms of all swaps is now 2.4%.

In order to reflect the improvement in hedge terms, we have quantified the projected amount of gain and are including it as a claim reduction as part of the rate stability rule.

## **6. Trend Assumptions**

As this is not medical insurance, we have not included any explicit medical cost trends in the projections.

## **7. Marketing Method**

This product was typically marketed through our traditional agency system and brokers involving a personal contact with each applicant.

## **8. Underwriting**

These policy forms were underwritten using a medical and risk questionnaire. We also utilized Attending Physician Statement and personal interviews depending on the age of the applicant and medical conditions.

## **9. Premium Classes**

The base policy premium rates vary by issue age, benefit period, inflation option, home health care maximum benefit percentage, and underwriting class, as in the initial rate filing.

All premium factors related to the insured elected benefit design options or any eligible discount remain unchanged from the initial rate filing.

## **10. Premium Modalization Rules**

<b>Frequency</b>	<b>Multiple of Annual Premium</b>
Semiannual	.52
Quarterly	.27
Monthly	.09

## **11. Issue Age Range**

The issue age range is 18-79 for all policy forms.

## **12. Area Factors**

Area factors are not applicable to any of the policy forms or riders.

## **13. Average Annual Premium**



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The table below summarizes the average annual premium per policy before and after the requested increase. The averages are based on policies inforce as of 12/31/2018, and do not reflect any previously approved rate increases to be implemented after 12/31/2018. Premium-paying policies as well as policies on claim are included, since although the premium for policies on claim is currently waived, they could be subject to the rate increase upon recovery.

	Virginia	
Form	before the rate increase	after the rate increase
ICC10-LTC-11	2,590	2,836

#### **14. Number of Policyholders**

The table below summarizes, as of 12/31/2018, the number of policies inforce that could be affected by the rate increase in your state and their 2018 annualized premium. Policies on claim are included, since although their premium is currently waived they could be subject to the rate increase upon recovery. Paid-up policies and policies which have exercised the nonforfeiture benefit option are excluded. Annualized premium does not reflect any previously approved rate increases to be implemented after 12/31/2018.

Form	Number of Policies	2018 Annualized Premium
ICC10-LTC-11	326	843,571

#### **15. Reserves**

Active Life Reserves have not been used in this rate increase demonstration. Minimum Statutory Claim reserves as of 12/31/2018 have been discounted to the date of incurral of each respective claim and included in the historical incurred claims. Incurred But Not Reported claim reserves as of 12/31/2018 have also been allocated to the calendar year of incurral and included in historic incurred claims.

#### **16. Analysis Performed**

##### **Original Pricing Assumptions**

The initial premium schedule was based on the originally filed pricing assumptions which were believed to be appropriate, given company and industry experience available, when the initial rate schedule was developed.

The original pricing assumptions for morbidity, voluntary termination rates, and mortality are provided below. A comparison of actual to expected experience using the original pricing assumptions is not available because original pricing assumptions are no longer used to analyze current experience. Instead, we show actual to expected experience relative to the prior and new assumptions.

##### Morbidity

Claim assumptions were derived using data published by the National Center for Health Statistics National Nursing Home Survey (1985 and 1995), the National Health Interview Survey (1984), the National Long-Term Care Survey (1982, 1984, 1989, and 1994), Medicare data, and other experience furnished to us by consultants, with adjustments due to the impact of underwriting, inflation options, elected options, anti-selection considerations, and the savings incurred because the maximum daily benefit will not always be paid.

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Below are the original sample annual claim costs for an ICC10-LTC-11 policy, \$10 daily benefit, with no inflation, and a 90 days elimination period (which included a 10.0% margin for moderately adverse experience):

Issue Age 50		
Age	3 year	5 year
50	0.55	0.73
55	2.06	2.90
60	4.00	5.74
65	13.06	18.91
70	21.98	31.02
75	49.79	70.95
80	114.32	162.24
85	271.80	370.61
90	380.19	485.66
95	398.25	484.69

Issue Age 60		
Age	3 year	5 year
60	1.07	1.43
65	8.26	11.66
70	20.15	28.00
75	51.90	73.29
80	124.47	175.81
85	295.01	400.00
90	408.17	518.11
95	421.72	505.94

Issue Age 70		
Age	3 year	5 year
70	6.07	7.83
75	41.01	56.55
80	122.71	170.71
85	306.63	412.06
90	439.16	554.11
95	443.90	527.67

Voluntary Terminations

Duration	Guaranteed Purchase Option	Other Inflation Options
1	3.90%	3.30%
2	2.45%	1.95%
3	1.55%	1.35%
4	1.25%	1.00%
5	1.10%	0.95%
6	1.00%	0.90%
7	1.00%	0.85%
8	1.00%	0.85%
9	1.00%	0.85%
10	1.00%	0.85%
11+	0.95%	0.85%

Total Life Mortality

Our mortality decrement is based on the unloaded 1994 Group Annuity Mortality Table, sex-distinct, with 16 years of improvements, and the following selection factors:

Policy	Issue Ages			
Year	<=55	65	75	79
1	21.7%	16.4%	18.8%	20.7%
2	29.1%	21.7%	24.2%	26.8%
3	35.6%	27.0%	31.2%	34.2%
4	39.0%	30.1%	37.5%	41.3%
5	41.6%	37.7%	44.6%	49.4%
6	43.4%	43.9%	51.9%	53.2%
7	45.9%	46.4%	59.2%	59.4%
8	49.1%	48.9%	63.7%	65.4%

Policy	Risk Class			
Year	Preferred	Standard	Substd 1	Substd 2
1	60%	108%	147%	185%
2	61%	108%	149%	187%
3	62%	108%	151%	190%
4	63%	108%	153%	192%
5	64%	108%	155%	195%
6	65%	108%	157%	198%
7	66%	108%	159%	200%
8	67%	108%	162%	203%

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9	51.3%	52.9%	67.5%	71.2%
10	54.7%	56.9%	72.1%	77.4%
11	58.0%	60.9%	76.9%	83.3%
12	61.4%	62.0%	82.6%	88.5%
13	62.5%	64.1%	88.4%	92.6%
14	64.4%	66.1%	90.8%	92.8%
15	66.4%	67.2%	93.0%	93.0%
16	68.2%	68.4%	93.0%	93.0%
17	70.7%	69.5%	93.0%	93.0%
18	73.1%	72.6%	93.0%	93.0%
19	75.5%	75.7%	93.0%	93.0%
20	78.0%	78.8%	93.0%	93.0%
21	80.5%	81.9%	93.0%	93.0%
22	83.0%	85.1%	93.0%	93.0%
23	85.5%	88.3%	93.0%	93.0%
24	88.0%	91.5%	93.0%	93.0%
25+	93.0%	93.0%	93.0%	93.0%

9	68%	108%	164%	205%
10	69%	108%	166%	208%
11	70%	108%	168%	210%
12	73%	108%	170%	213%
13	76%	108%	172%	215%
14	79%	108%	174%	218%
15	82%	108%	176%	221%
16	86%	108%	176%	221%

Factors for ages between the ones listed above are interpolated.

### Recent Experience

As part of the inforce management of the business, the Company monitored the performance of the business by completing periodic analysis for morbidity, voluntary lapse rates, and mortality. The findings from these analyses were used in projecting the inforce business to determine the effect of experience on the projected lifetime loss ratio. The most current studies show significant unfavorable trends since the study that prompted our 2016 rate increase filings. In general, claims continue to last longer than expected and lapses are lower than expected.

The following tables show in aggregate how our new and prior assumptions compare to actual experience.

### Morbidity

Claim cost components of incidence, claim terminations due to recovery or death, and benefit utilization were analyzed across many attributes focusing on the 5 year period of 2013 through 2017. Experience in durations 10+ are used for Incidence, Termination, and Utilization.

### Incidence (Count)

Duration	Incidence A/E Before Assumption Updates	Incidence A/E After Assumption Updates
10-14	99%	100%
15-19	96%	99%
20+	97%	98%
<b>Total</b>	<b>97%</b>	<b>99%</b>

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In 2018-2019 after the data for the experience study was complete, adverse morbidity experience was observed. Our new best estimate assumptions reflect this post-study experience by increasing the incidence assumption by 1%, increasing the utilization assumption by 1%, and decreasing the termination assumptions by 1%.

**Claim Termination (Count)**

	All Months		Months 1-5		Months 6+	
Benefit Period	Termination A/E Before Assumption Updates	Termination A/E After Assumption Updates	Termination A/E Before Assumption Updates	Termination A/E After Assumption Updates	Termination A/E Before Assumption Updates	Termination A/E After Assumption Updates
<10 years	96%	98%	81%	95%	104%	100%
10+ years	94%	97%	89%	97%	96%	98%
<b>Total</b>	<b>95%</b>	<b>98%</b>	<b>83%</b>	<b>96%</b>	<b>102%</b>	<b>99%</b>

**Utilization (Amount)**

Inflation	Utilization A/E Before Assumption Updates	Utilization A/E After Assumption Updates
None / GPO	99%	99%
Simple	98%	98%
Compound	101%	101%
<b>Total</b>	<b>99%</b>	<b>99%</b>

Overall our morbidity experience has been unfavorable since the last filing, largely due to unfavorable claim termination experience during the first 5 months on claim. Amongst those that do terminate from claim, the proportion recovering as opposed to dying has been close to expected.

Voluntary Lapses

Lapse experience from 2013 through 2017 was analyzed both by policy count (for credibility) and by policy amount (for assumption recommendations). Note that “Amount” is defined as the Maximum Daily Benefit multiplied by a Benefit Period factor to ensure that policies with longer benefit periods are appropriately weighted.

In prior studies, any policy that was rerated after the 2008 rate increase filing was permanently excluded from the remainder of the study. As rate increase filings have become more prevalent, policies are now allowed to re-enter the study following the rerate shock lapse period (2 years).

Actual to Expected ratios by amount for this block for John Hancock individual (including our assumed business) summarized by inflation and duration groups before and after the assumption update are shown below.

	Without Inflation		With Inflation	
Duration	Lapse A/E Before Assumption Updates	Lapse A/E After Assumption Updates	Lapse A/E Before Assumption Updates	Lapse A/E After Assumption Updates

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1-5	66%	83%	76%	100%
6-10	79%	99%	91%	101%
11-15	101%	102%	83%	101%
16-20	110%	104%	98%	100%
21-25	108%	107%	103%	104%
26+	87%	86%	117%	117%
<b>Total per inflation</b>	<b>90%</b>	<b>99%</b>	<b>84%</b>	<b>100%</b>

Actual to expected ratios based on the prior assumptions were overall much lower than expected with an overall A/E ratio of 85% by amount. This was primarily driven by lower lapses in the earlier durations, specifically for younger issue ages. Lapse rates continue to be lower for policies with an inflation option. After updating assumptions based on experience, the A/E ratios are now 100% overall.

#### Healthy Life Mortality

Healthy life mortality experience from 2013 through 2017 was analyzed both by policy count (for credibility) and by policy amount (for assumption recommendations). Note that “Amount” is defined as Maximum Daily Benefit multiplied by a Benefit Period factor to ensure that policies with longer benefit periods are appropriately weighted.

The below table shows the healthy life A/E ratios by amount before and after the assumption update for our Individual business (including our assumed business).

<b>Duration</b>	<b>Mortality A/E Before Assumption Updates</b>	<b>Mortality A/E After Assumption Updates</b>
1-5	94%	99%
6-10	98%	101%
11-15	100%	101%
16-20	106%	103%
21-25	94%	99%
26+	92%	93%
<b>Total</b>	<b>101%</b>	<b>101%</b>

Healthy life mortality experience for our individual block in aggregate was close to our expectation, however expectations were adjusted for certain subgroups. Adjustments were made to product selection factors, risk class adjustment factors, and gender and marital factors to account for developing experience.

#### **17. Requested Rate Increase**

The Company is requesting an average rate increase of 9.5%, which varies by issue age, benefit period, and inflation option, and ranges from 0.5% to 24.6%. Rate increases were derived as follows:

1. In the prior filing, The Company certified to a lifetime loss ratio of 64.8% based on nationwide data where waived premiums were included in both premiums and claims. We have restated this target loss

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ratio to 61.2% by removing waived premiums from both premiums and claims, as well as reflecting actual CPI in projected future claims through 2018.

2. We determined the projected lifetime loss ratio for this form based on nationwide actual experience and projected future experience assuming the prior rate increase request was approved in full and within three months of the original filing date. We then determined the amount of rate increase (31.1%) that would be needed in order to satisfy the rate stability rule ensuring a loss ratio no less than 85% (or the original pricing loss ratio if greater) on the rate increase portion, while applying 58% (or the original pricing loss ratio if greater) on the original rate schedule.
3. We ensured that the proposed rate increases did not result in premium rates that exceed rates for older issue ages or the most recent traditional LTC rates that have been filed with the Interstate Compact for new business under the ICC12-LTC-12 policy form, adjusted for benefit differences and changes in underwriting guidelines and risk classification (this is demonstrated in **Appendix A** using ICC10-LTC-11 as an example). As this product (ICC12-LTC-12) is no longer open for new business, the most recently filed new business LTC rates for this product were adjusted to account for the average impact of the assumption updates due to the 2016 and 2019 Experience Studies. Adjustments of 9.5% and 9.8%, respectively, were applied to all rates to reflect these updates. After the application of this restriction the average rate increase for the forms listed in this memo is a flat 31.1%.
4. After applying the projected gains from improved hedge terms as a reduction to claims, we ensured that the resulting overall increase in rates continues to satisfy the rate stability rule. This is demonstrated at the bottom of Exhibit 1 where it can be seen that the sum of past and future projected incurred claims is not less than the sum of the original premium times the greater of 58% and the original pricing loss ratio and the rate increase premium times the greater of 85% and the original pricing loss ratio. The resulting average rate increase for CPI policies, reduced for the projected hedge gains, is a flat 19.5%, while the resulting rate increase for non-CPI policies is a flat 31.1%.
5. Per discussions with the state, we have revised the actuarially justified rate increases determined as described above and are instead proposing an average rate increase of 9.5%, ranging from 0.5% to 24.6%. This would bring premiums in line with the CCIH (2012) block.

In the rate schedules by policy form, **Appendix B1** contains the new proposed rate tables for all policy forms included with this filing.

Please note that the actual rates implemented may vary slightly from those in Appendices B1 due to implementation rounding algorithms.

**Exhibit 1** contains nationwide past premium and claims experience as well as future premium and claim projections. It illustrates that the anticipated lifetime loss ratio with the requested rate increase is 64.6%, in excess of the minimum loss ratio of 60% as well as greater than the original pricing loss ratio of 59.2%. The lifetime loss ratio as of 12/31/2018 is calculated as the sum of accumulated past and discounted future claims divided by the sum of accumulated past and discounted future earned premium where accumulation and discounting occur at the maximum statutory valuation discount rate.

**Exhibit 1** also contains the original expected loss ratio projections, adjusted for the actual mix of business issued, with the lifetime loss ratio also calculated as stated above.

Furthermore, **Exhibit 1** demonstrates that the calculated loss ratio respects the applicable post stability requirements:

Post-stability form requirements:

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The sum of the accumulated value of incurred claims without the inclusion of active life reserves, and the present value of future projected incurred claims, without the inclusion of active life reserves, will not be less than the sum of the following:

1. Accumulated value of the initial earned premium times the greater of the original assumed lifetime loss ratio and 58%,
2. Accumulated value of prior premium rate schedule increases times the greater of the original assumed lifetime loss ratio and 85%,
3. Present value of future projected initial earned premium times the greater of the original assumed lifetime loss ratio and 58%, and
4. Present value of future projected premium in excess of the projected initial earned premium times the greater of the original assumed lifetime loss ratio and 85%.

### **18. Data Credibility**

Regarding the credibility of data for younger blocks of business such as Custom Care III, the Company would like to draw attention to the American Academy of Actuaries Issue Brief “*Understanding Premium Rate Increases on Private LTCI Policyholders 060216.pdf*”, which has been included with this filing. The brief provides guidance on determining the need for premium rate increases on pages 4 and 5. This guidance includes a discussion on determining assumptions used for projections, particularly in situations where experience credibility may be low. Because of the long duration nature of Long Term Care policies, claims are often not seen in early durations which leads to lower credibility in actual experience for younger groups of policies. In situations where this is the case, the Actuarial Standards of Practice require that industry data or company data for older, similar business be used to set assumptions. Specifically, the brief states the following:

“Section 3.2.1 of Actuarial Standard of Practice No. 18, Long-Term Care Insurance, requires actuaries to use alternative data sources such as public data or experience from the insurance company’s older, similar policy forms for identifying reasonable assumptions. Waiting until there is adequate claim information on each policy form could result in much larger, less affordable rate increases.”

Since Custom Care III is a younger block of business, our proposed rate increases on this form are based on our experience from this form as well as similar forms where we have over 20 years of experience. Overall, our unfavorable morbidity experience is at later durations and older attained ages, where we have significant data on our older plans and less on younger ones. With our combined data we are able to make credible decisions regarding future assumptions, in accordance with ASOP 18. Focusing solely on past experience for this product discredits our future projections and prevents us from acting on this information in a timely manner. Delaying rate increases until we have amassed similar experience on this particular policy form would take a considerable amount of time and would result in much higher rate increases for our customers which would be more difficult to manage and would require larger reductions in benefits in order to mitigate them. For example, if we were to delay rate increases on the Custom Care III plan for 10 years, with experience continuing as currently expected, we would require an average rate increase of 61.8% compared to the current proposed rate increase of 21.3%.

### **19. Ensuring No Cross-Subsidization Between States**

We have ensured no state's rate increase approvals will subsidize other states' rate increases. Rate increases will vary by state, but only to reflect the timing and amount of prior rate increases approved by that state. This is accomplished by first backing-out all prior approved rate increases from our nationwide premium data. We then re-introduce actual prior rate increases with the amount and timing based on your state's prior approvals (note that there have been no prior approvals in your state). The current proposed rate increases are then

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determined based on the amounts needed in order to achieve our target lifetime loss ratios certified to in our prior filing.

Although some states may have capped our previous inforce rate increase filings, in each case this was done with the understanding that the full amount of the proposed rate increases were justified and that John Hancock would be refile for the remainder at a later date. In instances where the remainder remains unapproved, it has been included in the current filings.

## **20. Past Losses Testing**

Preventing companies from recouping past losses was the subject of a discussion by the NAIC in late 2013. The accepted methodology which was incorporated into the 2014 Long Term Care Model Regulation defines past losses as actual past claims less expected past claims when determining loss ratio compliance. Expected past claims are defined as the following:

“Expected claims shall be calculated based on the original filing assumptions assumed until new assumptions are filed as part of a rate increase. New assumptions shall be used for all periods beyond each requested effective date of a rate increase [regardless of whether or not the rate increase is approved]. Expected claims are calculated for each calendar year based on the in-force at the beginning of the calendar year. Expected claims shall include margins for moderately adverse experience; either amounts included in the claims that were used to determine the lifetime loss ratio consistent with the original filing or as modified in any rate increase filing.”

We apply this methodology in **Exhibit 1A**. The ‘Adjusted Expected Incurred Claims’ are initially calculated by applying the original pricing durational loss ratio to the actual earned premium in a given calendar year. Later, in years in which and after which we filed for inforce rate increases, expected incurred claims are based on the new assumptions that were filed.

The accumulated value of the Adjusted Expected Incurred Claims is compared to the accumulated value of Actual Incurred Claims. The lesser of the Adjusted Expected Incurred Claims or Actual Incurred Claims is used for past claims when ensuring that the resulting overall increase in rates satisfies the rate stability rule ensuring a loss ratio no less than 85% (or the original pricing loss ratio if greater) on the rate increase portion, while applying 58% (or the original pricing loss ratio if greater) on the original rate schedule. This is demonstrated at the bottom of **Exhibit 1A**.

## **21. Proposed Effective Date**

These rates will be effective on the next policy anniversary date, following at least a 90 day policyholder notification period. The assumed effective date used to calculate the rate increase is 01/01/2021.



**John Hancock Life Insurance Company (U.S.A.)**  
**Actuarial Memorandum for Inforce Rate Increase – Custom Care III**  
**January 23, 2023**

**22. Actuarial Certification**

I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for rendering this opinion and am familiar with the requirements for filing long-term care insurance premiums and filing for increases in long-term care insurance premiums. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 8.

The preceding Actuarial Memorandum contains:

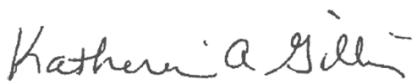
- a) the assumptions on which this certification is based;
- b) the adjustments to prior assumptions with an explanation of the reasons previous assumptions were not realized;
- c) a lifetime projection of the prior premium rate schedules and incurred claims plus future expected premiums and claims which demonstrates that the revised premium rate schedule meets the loss ratios standards and necessary details of this state; and
- d) disclosure of the manner, if any, in which reserves have been recognized.

Due to the capped approval, if the requested premium rate schedule increase is implemented and the underlying assumptions which reflect moderately adverse conditions are realized, additional rate increases will be necessary to achieve the full actuarially justified one-time request based on the Lifetime Loss Ratio.

I have reviewed and taken into consideration the policy design and coverage provided, and our current underwriting and claims adjudication processes.

In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of the actuarial calculations as I considered necessary. Based on these assumptions or statutory requirements where necessary, the premium rate filing is in compliance with the loss ratio standards of this state.

The basis for contract reserves has been previously filed and there is no anticipation of any changes.



Katherine A Gillis, FSA, MAAA  
Actuary, Long Term Care Inforce Management  
John Hancock Life Insurance Company

**Exhibit 1: Nationwide Loss Ratio Exhibit  
Custom Care III/Core Care (ICC-LTC-11)**

Calendar Year	Original Assumptions			Before Proposed Increase			Historical & Projected Experience With Proposed Rate Increase			With Capped Rate Increase		
	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio
2001	-	-	-	-	2,176	0%	-	2,176	0%	-	2,176	0%
2002	-	-	-	-	2,176	0%	-	2,176	0%	-	2,176	0%
2003	-	-	-	-	2,176	0%	-	2,176	0%	-	2,176	0%
2004	-	-	-	-	2,176	0%	-	2,176	0%	-	2,176	0%
2005	-	-	-	-	2,176	0%	-	2,176	0%	-	2,176	0%
2006	-	-	-	-	2,176	0%	-	2,176	0%	-	2,176	0%
2007	-	-	-	-	9,945	0%	-	9,945	0%	-	9,945	0%
2008	-	-	-	-	13,161	0%	-	13,161	0%	-	13,161	0%
2009	-	-	-	-	14,851	0%	-	14,851	0%	-	14,851	0%
2010	-	-	-	-	25,165	0%	-	25,165	0%	-	25,165	0%
2011	35,839	7,488,632	0%	119,960	7,516,698	2%	119,960	7,516,698	2%	119,960	7,516,698	2%
2012	291,256	25,029,174	1%	-	24,824,218	0%	-	24,824,218	0%	-	24,824,218	0%
2013	603,442	28,707,922	2%	9,812	28,407,601	0%	9,812	28,407,601	0%	9,812	28,407,601	0%
2014	940,956	29,477,615	3%	318,619	29,187,692	1%	318,619	29,187,692	1%	318,619	29,187,692	1%
2015	1,325,966	29,054,456	5%	600,410	28,763,111	2%	600,410	28,763,111	2%	600,410	28,763,111	2%
2016	1,750,116	28,558,885	6%	1,414,660	28,174,997	5%	1,414,660	28,174,997	5%	1,414,660	28,174,997	5%
2017	2,155,390	28,059,456	8%	2,515,173	27,756,234	9%	2,515,173	27,756,234	9%	2,515,173	27,756,234	9%
2018	2,709,246	27,535,871	10%	2,172,809	27,534,504	8%	2,172,809	27,534,504	8%	2,172,809	27,534,504	8%
Projected Future Experience												
2019	3,415,341	26,978,206	13%	3,809,650	26,373,769	14%	3,809,650	26,373,769	14%	3,809,650	26,373,769	14%
2020	4,184,169	26,378,935	16%	4,569,293	25,847,290	18%	4,569,293	25,847,290	18%	4,569,293	25,847,290	18%
2021	4,999,369	25,734,891	19%	5,550,145	25,367,468	22%	5,533,495	30,052,166	18%	5,533,495	27,398,544	20%
2022	5,777,627	25,043,943	23%	6,636,149	24,828,161	27%	6,596,332	29,915,547	22%	6,596,332	27,042,501	24%
2023	6,746,660	24,303,758	28%	7,717,615	24,251,447	32%	7,671,309	29,216,387	26%	7,671,309	26,421,949	29%
2024	7,936,468	23,512,713	34%	8,927,541	23,643,424	38%	8,873,976	28,479,490	31%	8,873,976	25,767,750	34%
2025	9,224,974	22,676,077	41%	10,454,492	23,051,463	45%	10,391,765	27,761,762	37%	10,391,765	25,132,607	41%
2026	10,556,068	21,801,086	48%	12,185,455	22,399,053	54%	12,112,342	26,971,265	45%	12,112,342	24,431,764	50%
2027	11,825,632	20,893,954	57%	14,102,806	21,654,961	65%	14,018,189	26,070,784	54%	14,018,189	23,631,289	59%
2028	13,416,277	19,958,000	67%	16,095,387	20,835,815	77%	15,998,815	25,080,390	64%	15,998,815	22,749,398	70%
2029	15,326,455	18,986,840	81%	18,086,499	19,966,888	91%	17,977,980	24,030,471	75%	17,977,980	21,812,931	82%
2030	17,224,825	17,979,650	96%	20,175,498	19,050,928	106%	20,054,445	22,924,180	87%	20,054,445	20,825,226	96%
2031	18,829,450	16,943,848	111%	22,473,738	18,112,936	124%	22,338,895	21,791,570	103%	22,338,895	19,812,650	113%
2032	20,067,253	15,887,193	126%	24,809,066	17,203,937	144%	24,660,212	20,695,251	119%	24,660,212	18,831,485	131%
2033	21,574,619	14,811,969	146%	27,074,099	16,248,674	167%	26,911,655	19,543,956	138%	26,911,655	17,798,733	151%
2034	23,292,570	13,721,158	170%	29,154,398	15,239,715	191%	28,979,472	18,328,466	158%	28,979,472	16,705,718	173%
2035	24,815,336	12,624,847	197%	30,592,858	14,166,121	216%	30,409,301	17,034,841	179%	30,409,301	15,542,087	196%
2036	25,955,110	11,537,338	225%	32,033,878	13,083,454	245%	31,841,675	15,731,067	202%	31,841,675	14,366,319	222%
2037	25,852,383	10,476,021	247%	33,667,004	12,003,594	280%	33,465,002	14,431,260	232%	33,465,002	13,191,597	254%
2038	26,043,759	9,457,430	275%	35,134,382	10,935,264	321%	34,923,576	13,145,979	266%	34,923,576	12,027,517	290%
2039	26,630,338	8,487,518	314%	36,081,010	9,883,882	365%	35,864,524	11,881,400	302%	35,864,524	10,880,418	330%
2040	27,006,008	7,573,695	357%	35,434,845	8,779,167	404%	35,222,236	10,552,367	334%	35,222,236	9,675,357	364%
2041	26,982,709	6,719,686	402%	34,619,687	7,757,282	446%	34,411,969	9,323,350	369%	34,411,969	8,558,214	402%
2042	25,492,027	5,925,785	430%	34,114,205	6,828,567	500%	33,909,519	8,207,106	413%	33,909,519	7,540,728	450%
2043	24,404,873	5,194,852	470%	33,620,985	5,979,977	562%	33,419,259	7,187,069	465%	33,419,259	6,609,289	506%
2044	23,787,996	4,525,429	526%	32,733,668	5,201,724	629%	32,537,266	6,251,879	520%	32,537,266	5,754,036	565%
2045	22,995,268	3,919,147	587%	30,376,263	4,399,485	690%	30,194,005	5,288,150	571%	30,194,005	4,872,761	620%
2046	21,979,162	3,374,865	651%	27,900,168	3,720,920	750%	27,732,767	4,472,507	620%	27,732,767	4,125,677	672%
2047	19,890,310	2,888,123	689%	25,829,874	3,149,186	820%	25,674,895	3,785,113	678%	25,674,895	3,494,997	735%
2048	18,109,162	2,457,189	737%	24,187,139	2,676,144	904%	24,042,016	3,216,934	747%	24,042,016	2,972,309	809%
2049	16,766,806	2,076,853	807%	22,589,549	2,260,854	999%	22,454,012	2,718,107	826%	22,454,012	2,512,934	894%
2050	15,389,554	1,745,404	882%	20,270,219	1,815,577	1116%	20,148,598	2,183,377	923%	20,148,598	2,020,376	997%
2051	13,971,344	1,459,030	958%	17,994,568	1,474,746	1220%	17,886,601	1,773,718	1008%	17,886,601	1,642,665	1089%
2052	12,086,687	1,212,699	997%	16,016,488	1,205,249	1329%	15,920,389	1,449,756	1098%	15,920,389	1,343,482	1185%
2053	10,525,498	1,003,114	1049%	14,281,515	996,920	1433%	14,195,826	1,199,369	1184%	14,195,826	1,111,974	1277%
2054	9,349,745	825,207	1133%	12,702,256	819,722	1550%	12,626,043	986,381	1280%	12,626,043	914,891	1380%
2055	8,228,728	675,969	1217%	11,320,197	632,328	1790%	11,252,276	761,347	1478%	11,252,276	706,481	1593%
2056	7,193,968	551,927	1303%	9,971,308	486,777	2048%	9,911,481	586,301	1691%	9,911,481	544,218	1821%
2057	6,185,404	449,011	1378%	8,299,483	382,564	2169%	8,249,686	460,657	1791%	8,249,686	427,802	1928%
2058	5,321,084	364,120	1461%	6,808,115	302,216	2253%	6,767,267	363,995	1859%	6,767,267	338,135	2001%
2059	4,609,728	293,724	1569%	5,670,749	236,803	2395%	5,636,725	285,262	1976%	5,636,725	265,067	2127%
2060	4,013,705	235,885	1702%	4,768,643	182,955	2606%	4,740,031	220,430	2150%	4,740,031	204,874	2314%
2061	3,489,698	188,474	1852%	3,963,832	139,522	2841%	3,940,049	168,128	2343%	3,940,049	156,294	2521%
2062	2,872,069	149,623	1920%	3,210,074	87,967	3649%	3,190,814	105,991	3010%	3,190,814	98,488	3240%
2063	2,384,053	118,004	2020%	2,514,984	53,444	4706%	2,499,894	64,370	3884%	2,499,894	59,839	4178%
2064	2,034,445	92,443	2201%	1,913,401	34,273	5583%	1,901,921	41,193	4617%	1,901,921	38,298	4966%
2065	1,712,984	71,900	2382%	1,430,195	23,787	6012%	1,421,614	28,597	4971%	1,421,614	26,593	5346%
2066	1,422,443	55,554	2560%	1,055,189	16,517	6389%	1,048,858	19,859	5281%	1,048,858	18,471	5678%
2067	1,164,607	42,517	2739%	786,356	11,344	6932%	781,638	13,642	5730%	781,638	12,690	6159%
2068	938,824	32,225	2913%	582,847	7,654	7615%	579,350	9,206	6293%	579,350	8,565	6764%
2069	744,346	24,045	3096%	418,343	5,024	8327%	415,833	6,044	6881%	415,833	5,624	7395%
2070	579,153	17,651	3281%	290,930	3,174	9165%	289,184	3,819	7571%	289,184	3,554	8136%

Note: Please refer to the Actuarial Memorandum, section "Ensuring No Cross-Subsidization Between States", for adjustments made to experience exhibits

**Values as of 12/31/2018 (discounted at maximum statutory valuation rates)**

Past :	10,788,657	235,488,379	4.6%	7,678,822	233,576,503	3.3%	7,678,822	233,576,503	3.3%	7,678,822	233,576,503	3.3%
Future :	308,813,684	304,806,093	101.3%	387,624,315	315,585,633	122.8%	385,361,967	369,178,137	104.4%	385,361,967	340,163,288	113.3%
Lifetime :	319,602,341	540,294,472	59.2%	395,303,136	549,162,135	72.0%	393,040,789	602,754,639	65.2%	393,040,789	573,739,791	68.5%
lifetime Net of Hedges :	<b>319,602,341</b>	<b>540,294,472</b>	<b>59.2%</b>	<b>373,071,728</b>	<b>549,162,135</b>	<b>67.9%</b>	<b>370,809,380</b>	<b>602,754,639</b>	<b>61.5%</b>	<b>370,809,380</b>	<b>573,739,791</b>	<b>64.6%</b>

**Total Incurred Claims exceed Total Initial Premiums x max(58%, Original Pricing Loss Ratio) + Increased Premiums x max(85%, Original Pricing Loss Ratio)**

Impact of Improved Hedge Terms =	(22,231,409)			Accum Value of Past Initial Prm x 59.2% =	138,168,352		138,168,352
Accum. Value of Past Incurred Claims =	7,678,822			Present Value of Future Initial Prm x 59.2% =	185,746,001		185,746,001
Present Value of Future Incurred Claims =	385,361,967			Accum Value of Prior Increases x 85.0% =	-		-
Total =	370,809,380	>=		Present Value of Future Increases x 85.0% =	46,895,027		22,232,405
				Total =	370,809,380		346,146,759

**Total Incurred Claims exceed Total Initial Premiums x max(60%, Original Pricing Loss Ratio) + Increased Premiums x max(80%, Original Pricing Loss Ratio)**

Impact of Improved Hedge Terms =	(22,231,409)			Acc
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Exhibit 1A: Demonstration of not Recouping Past Losses  
Custom Care III/Core Care (LTC-11)

		Historical & Projected Experience									
		Loss Ratios to Apply to Actual Premium			Adjusted Expected Incurred Claims	Before Proposed Increase			With Proposed Rate Increase		
		Incurred Claims	Earned Premium	Incurred Loss Ratio		Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio
Calendar Year											
Original Pricing	1988	0	0	0%	-	0	0	-	0	0	-
	1989	0	0	0%	-	0	0	-	0	0	-
	1990	0	0	0%	-	0	0	-	0	0	-
	1991	0	0	0%	-	0	0	-	0	0	-
	1992	0	0	0%	-	0	0	-	0	0	-
	1993	0	0	0%	-	0	0	-	0	0	-
	1994	0	0	0%	-	0	0	-	0	0	-
	1995	0	0	0%	-	0	0	-	0	0	-
	1996	0	0	0%	-	0	0	-	0	0	-
	1997	0	0	0%	-	0	0	-	0	0	-
	1998	0	0	0%	-	0	0	-	0	0	-
	1999	0	0	0%	-	0	0	-	0	0	-
	2000	0	0	0%	-	0	0	-	0	0	-
	2001	0	0	0%	-	0	2,176	0%	0	2,176	0%
	2002	0	0	0%	-	0	2,176	0%	0	2,176	0%
	2003	0	0	0%	-	0	2,176	0%	0	2,176	0%
	2004	0	0	0%	-	0	2,176	0%	0	2,176	0%
	2005	0	0	0%	-	0	2,176	0%	0	2,176	0%
	2006	0	0	0%	-	0	2,176	0%	0	2,176	0%
	2007	0	0	0%	-	0	9,945	0%	0	9,945	0%
	2008	0	0	0%	-	0	13,161	0%	0	13,161	0%
	2009	0	0	0%	-	0	14,851	0%	0	14,851	0%
	2010	0	0	0%	-	0	25,165	0%	0	25,165	0%
	2011	35,839	7,488,632	0%	35,973	119,960	7,516,698	2%	119,960	7,516,698	2%
	2012	291,256	25,029,174	1%	288,871	0	24,824,218	0%	0	24,824,218	0%
2013	603,442	28,707,922	2%	597,129	9,812	28,407,601	0%	9,812	28,407,601	0%	
2014	940,956	29,477,615	3%	931,702	318,619	29,187,692	1%	318,619	29,187,692	1%	
2015	1,325,966	29,054,456	5%	1,312,669	600,410	28,763,111	2%	600,410	28,763,111	2%	
2016 RI	2016	1,618,626	28,194,707	6%	1,618,626	1,414,660	28,174,997	5%	1,414,660	28,174,997	5%
	2017	1,998,712	28,040,382	7%	1,998,712	2,515,173	27,756,234	9%	2,515,173	27,756,234	9%
	2018	2,465,231	31,053,178	8%	2,465,231	2,172,809	27,534,504	8%	2,172,809	27,534,504	8%
Projected Future Experience	2019					3,809,650	26,373,769	14%	3,809,650	26,373,769	14%
	2020					4,569,293	25,847,290	18%	4,569,293	25,847,290	18%
	2021					5,550,145	25,367,468	22%	5,533,495	30,052,166	18%
	2022					6,636,149	24,828,161	27%	6,596,332	29,915,547	22%
	2023					7,717,615	24,251,447	32%	7,671,309	29,216,387	26%
	2024					8,927,541	23,643,424	38%	8,873,976	28,479,490	31%
	2025					10,454,492	23,051,463	45%	10,391,765	27,761,762	37%
	2026					12,185,455	22,399,053	54%	12,112,342	26,971,265	45%
	2027					14,102,806	21,654,961	65%	14,018,189	26,070,784	54%
	2028					16,095,387	20,835,815	77%	15,998,815	25,080,390	64%
	2029					18,086,499	19,966,888	91%	17,977,980	24,030,471	75%
	2030					20,175,498	19,050,928	106%	20,054,445	22,924,180	87%
	2031					22,473,738	18,112,936	124%	22,338,895	21,791,570	103%
	2032					24,809,066	17,203,937	144%	24,660,212	20,695,251	119%
	2033					27,074,099	16,248,674	167%	26,911,655	19,543,956	138%
	2034					29,154,398	15,239,715	191%	28,979,472	18,328,466	158%
	2035					30,592,858	14,166,121	216%	30,409,301	17,034,841	179%
	2036					32,033,878	13,083,454	245%	31,841,675	15,731,067	202%
	2037					33,667,004	12,003,594	280%	33,465,002	14,431,260	232%
	2038					35,134,382	10,935,264	321%	34,923,576	13,145,979	266%
	2039					36,081,010	9,883,882	365%	35,864,524	11,881,400	302%
	2040					35,434,845	8,779,167	404%	35,222,236	10,552,367	334%
Values as of 12/31/2018 (discounted at maximum statutory valuation rates)					10,187,422						
Past						7,678,822	233,576,503	3.3%	7,678,822	233,576,503	3.3%
Future						387,624,315	315,585,633	122.8%	385,361,967	369,178,137	104.4%
Lifetime						395,303,136	549,162,135	72.0%	393,040,789	602,754,639	65.2%
Lifetime Net of Hedges						373,071,728	549,162,135	67.9%	370,809,380	602,754,639	61.5%

Total Incurred Claims exceed Total Initial Premiums x max(58%, Original Pricing Loss Ratio) + Increased Premiums x max(85%, Original Pricing Loss Ratio)

Impact of Improved Hedge Terms =	(22,231,409)	Accum Value of Past Initial Prm x 58.0% =	138,168,352
Accum Value of Minimum(Past Incurred Claims,		Present Value of Future Initial Prm x 58.0% =	185,746,001
Adjusted Originally Expected Incurred Claims) =	7,678,822	Accum Value of Prior Increases x 85.0% =	-
Present Value of Future Incurred Claims =	385,361,967	Present Value of Future Increases x 85.0% =	46,895,027
Total =	370,809,380	Total =	370,809,380

Exhibit 2: Virginia Loss Ratio Exhibit  
Custom Care III/Core Care (ICC-LTC-11)

Original Assumptions				Historical & Projected Experience						
Calendar Year				Before Proposed Increase			With Proposed Rate Increase			
	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	
2008	-	-	-	-	2,403	0%	-	2,403	0%	
2009	-	-	-	-	2,403	0%	-	2,403	0%	
2010	-	-	-	-	2,403	0%	-	2,403	0%	
2011	3,511	352,061	1%	-	354,362	0%	-	354,362	0%	
2012	16,182	893,052	2%	-	901,555	0%	-	901,555	0%	
2013	29,350	930,327	3%	-	887,234	0%	-	887,234	0%	
2014	42,888	909,215	5%	54,719	858,471	6%	54,719	858,471	6%	
2015	57,582	891,925	6%	-	821,429	0%	-	821,429	0%	
2016	73,015	875,436	8%	336,062	814,445	41%	336,062	814,445	41%	
2017	88,952	857,992	10%	1,955	794,141	0%	1,955	794,141	0%	
2018	110,540	839,310	13%	17,597	802,442	2%	17,597	802,442	2%	
Projected Future Experience	2019	135,510	819,268	17%	128,688	778,441	17%	128,688	778,441	17%
	2020	161,367	797,748	20%	155,378	764,226	20%	155,378	764,226	20%
	2021	186,594	774,681	24%	189,223	748,042	25%	188,655	888,269	21%
	2022	211,264	750,074	28%	224,799	730,223	31%	223,450	882,075	25%
	2023	243,153	723,873	34%	259,152	711,311	36%	257,597	859,075	30%
	2024	280,500	696,205	40%	297,985	691,491	43%	296,197	834,987	35%
	2025	319,207	667,410	48%	346,611	672,332	52%	344,531	811,686	42%
	2026	356,729	637,819	56%	398,294	650,651	61%	395,904	785,330	50%
	2027	391,297	607,621	64%	455,361	626,064	73%	452,629	755,487	60%
	2028	439,217	577,195	76%	514,684	599,464	86%	511,596	723,234	71%
	2029	496,585	545,981	91%	572,220	571,796	100%	568,787	689,705	82%
	2030	550,093	514,022	107%	629,622	543,490	116%	625,844	655,423	95%
	2031	592,145	481,560	123%	697,051	514,927	135%	692,868	620,844	112%
	2032	620,806	448,794	138%	766,263	487,072	157%	761,665	587,122	130%
	2033	662,136	415,735	159%	829,292	457,896	181%	824,316	551,830	149%
	2034	708,235	382,570	185%	885,809	427,444	207%	880,494	515,024	171%
	2035	745,317	349,655	213%	924,133	393,963	235%	918,589	474,619	194%
	2036	766,822	317,498	242%	959,548	362,841	264%	953,791	437,018	218%
	2037	747,833	286,654	261%	999,023	331,689	301%	993,029	399,393	249%
	2038	750,210	257,531	291%	1,034,114	300,948	344%	1,027,909	362,279	284%
	2039	765,355	230,199	332%	1,048,238	271,070	387%	1,041,949	326,219	319%
	2040	771,552	204,776	377%	1,003,584	240,015	418%	997,563	288,773	345%
	2041	761,779	181,251	420%	972,280	212,689	457%	966,447	255,793	378%
	2042	710,054	159,619	445%	961,042	187,757	512%	955,275	225,728	423%
	2043	684,026	139,886	489%	949,487	164,715	576%	943,790	197,954	477%
	2044	672,638	121,896	552%	920,720	143,755	640%	915,196	172,701	530%
	2045	653,462	105,655	618%	852,457	122,915	694%	847,342	147,626	574%
	2046	625,703	91,078	687%	789,143	106,163	743%	784,408	127,452	615%
	2047	564,379	78,035	723%	739,777	91,353	810%	735,338	109,634	671%
	2048	517,941	66,436	780%	704,539	78,179	901%	700,312	93,794	747%
	2049	485,373	56,127	865%	666,587	66,484	1003%	662,588	79,739	831%
	2050	449,097	47,098	954%	598,637	54,778	1093%	595,045	65,686	906%
2051	409,164	39,239	1043%	536,134	45,843	1170%	532,918	54,959	970%	
2052	350,276	32,444	1080%	484,703	38,253	1267%	481,795	45,848	1051%	
2053	303,285	26,623	1139%	438,816	31,649	1387%	436,183	37,922	1150%	
2054	269,153	21,668	1242%	394,563	25,986	1518%	392,195	31,129	1260%	
2055	234,096	17,519	1336%	354,125	19,952	1775%	352,001	23,902	1473%	
2056	200,685	14,090	1424%	311,264	15,916	1956%	309,397	19,062	1623%	
2057	169,784	11,271	1506%	256,828	12,697	2023%	255,287	15,205	1679%	
2058	143,168	8,971	1596%	209,558	9,998	2096%	208,301	11,972	1740%	
2059	120,860	7,079	1707%	175,103	7,777	2252%	174,052	9,312	1869%	
2060	102,021	5,554	1837%	147,984	5,961	2483%	147,096	7,138	2061%	
Note: Please refer to the Actuarial Memorandum, section "Ensuring No Cross-Subsidization Between States", for adjustments made to experience exhibits										
Values as of 12/31/2018 (discounted at maximum statutory valuation rates)										
Past :	466,837	7,618,557	6.1%	455,984	7,275,620	6.3%	455,984	7,275,620	6.3%	
Future :	9,309,440	8,821,434	105.5%	11,581,277	9,057,504	127.9%	11,513,940	10,604,926	108.6%	
Lifetime :	9,776,277	16,439,991	59.5%	12,037,261	16,333,123	73.7%	11,969,924	17,880,545	66.9%	
ifetime Net of Hedges :	9,776,277	16,439,991	59.5%	11,413,134	16,333,123	69.9%	11,345,797	17,880,545	63.5%	

Appendix A - Comparison to New Business Rates (Custom Care III Series)

Rates shown are for a 90-day EP, single, Standard policyholder, and are per \$100 monthly benefit

Inflation Option: GPO Inflation

New Business Rates adjusted for Benefit Differences\* :

Issue Age	Benefit Period					
	2	3	4	5	6	10
18-29	42.09	46.90	51.95	56.52	66.62	93.68
30	44.49	49.30	55.07	59.64	69.74	96.41
31	45.69	50.50	57.00	61.57	71.67	100.34
32	46.90	52.43	59.40	63.97	74.79	101.07
33	47.62	53.63	61.33	66.62	77.20	105.64
34	48.82	55.55	63.25	69.02	79.84	107.79
35	50.02	56.76	65.66	71.67	82.97	110.63
36	51.23	59.16	67.58	74.07	86.10	116.13
37	52.43	61.09	69.98	77.20	88.02	117.36
38	54.35	62.29	73.11	79.84	91.15	120.24
39	55.55	64.21	75.03	82.97	95.00	126.02
40	56.76	66.62	77.44	86.10	98.12	128.91
41	58.68	68.54	80.09	88.02	101.25	133.73
42	59.88	70.47	82.49	90.43	104.38	137.92
43	61.81	72.39	84.41	92.35	107.02	142.08
44	64.21	74.31	87.06	95.48	110.15	148.70
45	66.14	76.24	88.98	97.40	113.27	152.83
46	68.06	78.16	92.11	100.53	116.40	156.96
47	70.47	80.57	94.03	102.45	119.53	161.10
48	72.39	83.21	97.16	105.58	123.37	166.21
49	74.31	85.14	99.81	108.22	126.50	172.04
50	76.72	87.54	102.21	110.63	130.35	178.81
51	79.84	90.19	106.06	115.68	135.88	185.59
52	81.77	93.31	109.19	119.53	141.65	194.36
53	84.90	96.92	113.03	124.58	147.91	203.78
54	88.02	100.77	117.36	128.91	153.68	212.53
55	90.43	103.89	121.21	133.96	159.93	221.32
56	94.27	110.15	128.67	142.13	169.31	233.81
57	98.60	116.40	136.84	150.31	178.21	247.24
58	103.65	122.65	144.30	158.49	188.31	261.72
59	107.98	129.63	153.20	167.87	198.41	276.19
60	113.03	137.08	162.58	177.97	209.71	291.71
61	120.97	147.66	173.16	190.47	225.35	313.59
62	129.15	158.25	184.46	203.70	242.90	335.36
63	139.01	170.75	196.97	218.13	261.18	359.71
64	148.87	183.26	209.47	233.76	281.86	386.78
65	159.45	197.45	223.90	250.12	303.27	415.82
66	174.84	216.21	245.07	274.41	329.00	450.62
67	191.68	237.85	269.36	300.62	356.42	486.58
68	210.92	260.22	295.57	329.96	386.96	529.36
69	231.36	285.71	324.91	362.43	420.15	574.61
70	254.93	312.89	357.14	397.30	456.22	622.68
71	279.46	343.19	388.16	438.91	493.50	664.09
72	306.63	375.17	422.79	483.64	533.90	706.86
73	337.42	411.01	460.55	533.90	577.43	752.59
74	370.60	449.25	501.43	588.49	625.77	802.04
75	406.92	492.30	545.93	649.34	676.76	855.39
76	450.21	583.13	648.87	696.04	740.34	914.71
77	499.51	650.66	722.64	773.02	829.16	1000.46
78	551.46	721.80	801.20	856.06	923.91	1091.37
79	612.06	807.34	894.78	953.07	1036.14	1196.44
80	1003.59	807.34	0.00	0.00	0.00	0.00
81	1082.95	807.34	0.00	0.00	0.00	0.00
82	1168.33	807.34	0.00	0.00	0.00	0.00
83	1262.37	807.34	0.00	0.00	0.00	0.00
84	1360.73	807.34	0.00	0.00	0.00	0.00

ICC10-LTC-11 Rates after Requested Rate Increases

excluding additional rate increase due to cost of delay :

Issue Age	Benefit Period					
	2	3	4	5	6	10
18-29	30.15	35.40	38.02	40.64	41.95	49.82
30	30.15	35.40	38.02	40.64	41.95	55.06
31	31.47	36.71	39.33	41.95	43.26	56.38
32	32.78	38.02	40.64	43.26	44.58	59.00
33	32.78	38.02	41.95	44.58	45.89	61.62
34	34.09	39.33	43.26	45.89	47.20	62.93
35	35.40	40.64	44.58	47.20	48.51	65.55
36	36.71	41.95	47.20	49.82	51.13	68.17
37	38.02	43.26	48.51	52.44	55.06	70.80
38	39.33	44.58	51.13	56.38	57.69	73.42
39	40.64	47.20	55.06	59.00	61.62	77.35
40	41.95	48.51	57.69	61.62	64.24	79.97
41	43.26	51.13	59.00	62.93	66.86	83.91
42	44.58	52.44	61.62	65.55	69.49	86.53
43	45.89	56.38	64.24	66.86	70.80	91.77
44	47.20	57.69	65.55	69.49	73.42	95.71
45	48.51	60.31	68.17	72.11	76.04	98.33
46	51.13	62.93	70.80	74.73	78.66	103.57
47	52.44	65.55	73.42	77.35	81.29	107.51
48	56.38	68.17	74.73	79.97	83.91	112.75
49	59.00	70.80	77.35	83.91	87.84	117.99
50	60.31	73.42	79.97	86.53	91.77	123.24
51	64.24	77.35	83.91	91.77	95.71	131.11
52	66.86	79.97	87.84	97.02	99.64	136.35
53	69.49	83.91	94.40	100.95	104.88	142.90
54	73.42	87.84	98.33	106.20	110.13	150.77
55	77.35	93.08	103.57	111.44	114.06	157.33
56	81.29	99.64	108.82	117.99	121.93	167.81
57	86.53	104.88	115.37	124.55	129.79	178.30
58	93.08	111.44	121.93	133.73	137.66	188.79
59	98.33	117.99	129.79	141.59	145.53	201.90
60	103.57	124.55	137.66	149.46	154.70	215.01
61	111.44	135.04	148.15	162.57	167.81	230.74
62	119.31	145.53	159.95	175.68	180.92	250.41
63	129.79	157.33	174.37	188.79	195.35	270.08
64	140.28	170.44	187.48	205.83	212.39	291.05
65	150.77	183.55	203.21	221.57	229.43	314.65
66	165.19	201.90	222.88	242.54	250.41	343.50
67	178.30	220.26	243.86	263.52	274.01	373.65
68	194.04	241.23	267.45	287.12	298.92	407.74
69	212.39	264.83	293.68	314.65	326.45	444.45
70	230.74	289.74	321.21	343.50	356.61	486.40
71	254.34	318.59	352.67	378.89	397.25	530.98
72	277.94	348.74	386.76	418.23	441.82	578.17
73	305.47	381.52	423.47	461.49	492.95	631.93
74	333.01	416.91	464.11	508.69	548.02	688.30
75	364.47	456.25	508.69	562.44	610.95	751.23
76	403.80	508.69	566.37	624.06	679.12	822.03
77	449.69	567.68	630.62	693.55	755.16	899.38
78	498.20	633.24	702.72	772.21	839.07	983.29
79	550.64	705.35	781.39	857.43	932.16	1076.37
80	903.31	0.00	0.00	0.00	0.00	0.00
81	975.42	0.00	0.00	0.00	0.00	0.00
82	1051.46	0.00	0.00	0.00	0.00	0.00
83	1136.68	0.00	0.00	0.00	0.00	0.00
84	1225.83	0.00	0.00	0.00	0.00	0.00

ICC10-LTC-11 Rates after Requested Rate Increases

including additional rate increase due to cost of delay :

Issue Age	Benefit Period					
	2	3	4	5	6	10
18-29	30.15	35.40	38.02	40.64	41.95	49.82
30	30.15	35.40	38.02	40.64	41.95	55.06
31	31.47	36.71	39.33	41.95	43.26	56.38
32	32.78	38.02	40.64	43.26	44.58	59.00
33	32.78	38.02	41.95	44.58	45.89	61.62
34	34.09	39.33	43.26	45.89	47.20	62.93
35	35.40	40.64	44.58	47.20	48.51	65.55
36	36.71	41.95	47.20	49.82	51.13	68.17
37	38.02	43.26	48.51	52.44	55.06	70.80
38	39.33	44.58	51.13	56.38	57.69	73.42
39	40.64	47.20	55.06	59.00	61.62	77.35
40	41.95	48.51	57.69	61.62	64.24	79.97
41	43.26	51.13	59.00	62.93	66.86	83.91
42	44.58	52.44	61.62	65.55	69.49	86.53
43	45.89	56.38	64.24	66.86	70.80	91.77
44	47.20	57.69	65.55	69.49	73.42	95.71
45	48.51	60.31	68.17	72.11	76.04	98.33
46	51.13	62.93	70.80	74.73	78.66	103.57
47	52.44	65.55	73.42	77.35	81.29	107.51
48	56.38	68.17	74.73	79.97	83.91	112.75
49	59.00	70.80	77.35	83.91	87.84	117.99
50	60.31	73.42	79.97	86.53	91.77	123.24
51	64.24	77.35	83.91	91.77	95.71	131.11
52	66.86	79.97	87.84	97.02	99.64	136.35
53	69.49	83.91	94.40	100.95	104.88	142.90
54	73.42	87.84	98.33	106.20	110.13	150.77
55	77.35	93.08	103.57	111.44	114.06	157.33
56	81.29	99.64	108.82	117.99	121.93	167.81
57	86.53	104.88	115.37	124.55	129.79	178.30
58	93.08	111.44	121.93	133.73	137.66	188.79
59	98.33	117.99	129.79	141.59	145.53	201.90
60	103.57	124.55	137.66	149.46	154.70	215.01
61	111.44	135.04	148.15	162.57	167.81	230.74
62	119.31	145.53	159.95	175.68	180.92	250.41
63	129.79	157.33	174.37	188.79	195.35	270.08
64	140.28	170.44	187.48	205.83	212.39	291.05
65	150.77	183.55	203.21	221.57	229.43	314.65
66	165.19	201.90	222.88	242.54	250.41	343.50
67	178.30	220.26	243.86	263.52	274.01	373.65
68	194.04	241.23	267.45	287.12	298.92	407.74
69	212.39	264.83	293.68	314.65	326.45	444.45
70	230.74	289.74	321.21	343.50	356.61	486.40
71	254.34	318.59	352.67	378.89	397.25	530.98
72	277.94	348.74	386.76	418.23	441.82	578.17
73	305.47	381.52	423.47	461.49	492.95	631.93
74	333.01	416.91	464.11	508.69	548.02	688.30
75	364.47	456.25	508.69	562.44	610.95	751.23
76	403.80	508.69	566.37	624.06	679.12	822.03
77	449.69	567.68	630.62	693.55	755.16	899.38
78	498.20	633.24	702.72	772.21	839.07	983.29
79	550.64	705.35	781.39	857.43	932.16	1076.37
80	903.31	0.00	0.00	0.00	0.00	0.00
81	975.42	0.00	0.00	0.00	0.00	0.00
82	1051.46	0.00	0.00	0.00	0.00	0.00
83	1136.68	0.00	0.00	0.00	0.00	0.00
84	1225.83	0.00	0.00	0.00	0.00	0.00

Appendix A - Comparison to New Business Rates (Custom Care III Series)

Rates shown are for a 90-day EP, single, Standard policyholder, and are per \$100 monthly benefit

Inflation Option: CPI Compound Inflation

New Business Rates adjusted for Benefit Differences\* :

Issue Age	Benefit Period					
	2	3	4	5	6	10
18-29	102.21	127.22	137.32	154.40	181.33	242.40
30	107.74	133.96	144.78	162.58	190.71	255.52
31	108.94	135.88	147.18	164.98	193.84	258.45
32	110.87	137.08	149.83	167.63	196.97	265.72
33	112.07	139.01	152.23	170.03	199.61	268.00
34	114.48	141.41	154.16	173.16	202.74	272.78
35	115.68	142.61	157.28	175.56	205.86	275.71
36	117.60	144.54	159.69	178.21	208.99	278.66
37	119.53	146.46	162.33	181.33	212.12	283.43
38	121.21	148.87	165.46	183.74	215.24	288.21
39	123.13	150.07	167.87	186.87	218.37	291.16
40	124.34	151.99	170.99	189.99	222.22	296.90
41	126.98	155.12	173.64	193.84	227.27	304.25
42	129.39	157.04	176.76	197.69	233.52	312.59
43	131.31	160.17	179.41	201.30	239.77	323.42
44	133.23	162.82	183.26	205.14	246.27	332.74
45	135.64	165.22	186.38	209.71	252.52	341.09
46	137.56	168.35	189.03	214.04	259.50	352.99
47	140.69	170.99	192.88	217.89	266.47	362.32
48	142.61	173.40	196.00	222.22	273.44	371.65
49	145.02	176.52	199.85	226.79	280.90	384.29
50	147.66	179.17	203.22	231.12	287.87	393.62
51	150.07	183.50	207.55	236.17	288.60	393.62
52	152.72	186.63	212.60	241.94	290.52	396.67
53	155.84	190.47	217.65	247.47	291.24	396.67
54	158.25	193.60	222.70	253.24	292.44	396.67
55	160.89	197.93	227.75	259.50	293.89	396.67
56	166.42	203.70	235.93	267.19	307.59	416.46
57	171.47	209.95	244.10	274.65	322.27	433.75
58	177.73	216.93	253.00	282.34	337.42	455.16
59	183.50	224.38	262.38	291.24	353.05	475.46
60	189.03	231.36	271.28	299.42	369.64	496.43
61	199.61	246.27	287.63	315.05	384.07	515.60
62	210.19	261.90	304.47	331.40	399.22	535.75
63	221.50	279.46	322.02	348.48	415.58	556.94
64	233.28	297.49	341.50	366.76	431.45	578.61
65	245.07	316.97	361.47	385.52	447.80	600.91
66	264.31	339.82	386.96	416.78	486.52	653.14
67	284.03	363.39	413.17	449.97	527.17	709.07
68	305.19	388.88	442.27	486.76	572.14	771.96
69	328.04	416.78	472.82	525.48	620.96	838.90
70	353.29	446.36	505.76	567.81	673.39	911.26
71	382.87	487.25	544.24	613.75	720.53	955.59
72	414.13	532.22	585.61	664.01	771.51	998.33
73	448.53	581.52	630.10	717.40	825.86	1046.85
74	485.32	635.63	678.20	775.60	884.06	1095.68
75	525.24	694.07	730.39	838.61	945.87	1147.25
76	578.63	698.01	818.80	908.68	957.84	1168.50
77	636.11	768.93	898.95	995.41	1048.54	1286.21
78	701.05	848.78	988.16	1089.90	1149.83	1417.42
79	772.23	936.12	1084.74	1194.46	1261.13	1562.52
80	1268.14	936.12	0.00	0.00	0.00	0.00
81	1355.44	936.12	0.00	0.00	0.00	0.00
82	1448.27	936.12	0.00	0.00	0.00	0.00
83	1548.07	936.12	0.00	0.00	0.00	0.00
84	1653.17	936.12	0.00	0.00	0.00	0.00

ICC10-LTC-11 Rates after Requested Rate Increases  
excluding additional rate increase due to cost of delay :

Issue Age	Benefit Period					
	2	3	4	5	6	10
18-29	72.88	88.42	95.58	101.56	103.95	137.40
30	77.66	93.20	100.36	105.14	107.53	144.57
31	78.86	94.39	101.56	106.34	108.73	148.16
32	80.05	95.58	103.95	107.53	111.12	150.55
33	80.05	97.97	105.14	109.92	112.31	152.94
34	82.44	99.17	107.53	111.12	115.90	155.33
35	83.64	100.36	108.73	112.31	117.09	157.71
36	84.83	101.56	111.12	115.90	119.48	160.10
37	87.22	103.95	113.51	118.29	121.87	163.69
38	88.42	105.14	117.09	120.68	123.07	166.08
39	90.81	107.53	119.48	123.07	125.45	169.66
40	92.00	108.73	121.87	125.45	127.84	172.05
41	94.39	111.12	124.26	127.84	130.23	175.64
42	95.58	113.51	126.65	131.43	133.82	180.42
43	97.97	117.09	127.84	133.82	136.21	184.00
44	100.36	119.48	130.23	136.21	138.60	187.58
45	102.75	121.87	132.62	138.60	142.18	191.17
46	105.14	124.26	135.01	140.99	144.57	195.95
47	106.34	126.65	138.60	144.57	148.16	199.53
48	108.73	129.04	140.99	148.16	151.74	204.31
49	109.92	131.43	143.38	150.55	154.13	209.09
50	112.31	135.01	145.77	154.13	157.71	215.07
51	117.09	138.60	151.74	158.91	162.49	221.04
52	120.68	142.18	156.52	163.69	167.27	227.01
53	124.26	145.77	161.30	168.47	172.05	234.18
54	127.84	150.55	166.08	174.44	178.03	240.16
55	131.43	155.33	172.05	180.42	184.00	248.52
56	137.40	161.30	178.03	187.58	192.36	258.08
57	142.18	167.27	186.39	194.75	199.53	268.83
58	149.35	173.25	193.56	201.92	206.70	279.59
59	154.13	181.61	201.92	210.29	216.26	291.53
60	160.10	188.78	209.09	219.84	224.62	302.29
61	169.66	199.53	222.23	231.79	237.77	321.40
62	180.42	211.48	235.38	247.33	253.30	339.33
63	191.17	224.62	250.91	261.66	267.64	359.64
64	201.92	237.77	265.25	276.00	284.36	381.14
65	215.07	252.10	281.97	293.92	301.09	403.85
66	229.40	270.03	299.90	315.43	323.79	434.91
67	243.74	291.53	320.21	338.13	348.88	469.56
68	261.66	313.04	341.72	363.22	376.36	506.60
69	279.59	335.74	364.42	389.51	403.85	547.22
70	298.70	360.83	389.51	418.18	434.91	589.04
71	320.21	385.92	425.35	458.81	480.31	634.44
72	344.10	413.40	462.39	503.01	528.11	683.43
73	368.00	443.27	504.21	553.20	580.68	737.20
74	394.29	475.53	550.81	608.16	640.42	792.16
75	422.96	508.99	599.79	667.90	703.74	853.09
76	467.17	562.75	661.92	733.61	774.24	943.90
77	517.35	624.89	728.83	808.89	851.90	1044.26
78	573.51	691.79	805.30	888.94	937.92	1155.38
79	632.05	765.87	887.74	977.35	1032.31	1278.45
80	1038.29	0.00	0.00	0.00	0.00	0.00
81	1109.98	0.00	0.00	0.00	0.00	0.00
82	1185.25	0.00	0.00	0.00	0.00	0.00
83	1267.69	0.00	0.00	0.00	0.00	0.00
84	1353.72	0.00	0.00	0.00	0.00	0.00

ICC10-LTC-11 Rates after Requested Rate Increases  
including additional rate increase due to cost of delay :

Issue Age	Benefit Period					
	2	3	4	5	6	10
18-29	72.88	88.42	95.58	101.56	103.95	137.40
30	77.66	93.20	100.36	105.14	107.53	144.57
31	78.86	94.39	101.56	106.34	108.73	148.16
32	80.05	95.58	103.95	107.53	111.12	150.55
33	80.05	97.97	105.14	109.92	112.31	152.94
34	82.44	99.17	107.53	111.12	115.90	155.33
35	83.64	100.36	108.73	112.31	117.09	157.71
36	84.83	101.56	111.12	115.90	119.48	160.10
37	87.22	103.95	113.51	118.29	121.87	163.69
38	88.42	105.14	117.09	120.68	123.07	166.08
39	90.81	107.53	119.48	123.07	125.45	169.66
40	92.00	108.73	121.87	125.45	127.84	172.05
41	94.39	111.12	124.26	127.84	130.23	175.64
42	95.58	113.51	126.65	131.43	133.82	180.42
43	97.97	117.09	127.84	133.82	136.21	184.00
44	100.36	119.48	130.23	136.21	138.60	187.58
45	102.75	121.87	132.62	138.60	142.18	191.17
46	105.14	124.26	135.01	140.99	144.57	195.95
47	106.34	126.65	138.60	144.57	148.16	199.53
48	108.73	129.04	140.99	148.16	151.74	204.31
49	109.92	131.43	143.38	150.55	154.13	209.09
50	112.31	135.01	145.77	154.13	157.71	215.07
51	117.09	138.60	151.74	158.91	162.49	221.04
52	120.68	142.18	156.52	163.69	167.27	227.01
53	124.26	145.77	161.30	168.47	172.05	234.18
54	127.84	150.55	166.08	174.44	178.03	240.16
55	131.43	155.33	172.05	180.42	184.00	248.52
56	137.40	161.30	178.03	187.58	192.36	258.08
57	142.18	167.27	186.39	194.75	199.53	268.83
58	149.35	173.25	193.56	201.92	206.70	279.59
59	154.13	181.61	201.92	210.29	216.26	291.53
60	160.10	188.78	209.09	219.84	224.62	302.29
61	169.66	199.53	222.23	231.79	237.77	321.40
62	180.42	211.48	235.38	247.33	253.30	339.33
63	191.17	224.62	250.91	261.66	267.64	359.64
64	201.92	237.77	265.25	276.00	284.36	381.14
65	215.07	252.10	281.97	293.92	301.09	403.85
66	229.40	270.03	299.90	315.43	323.79	434.91
67	243.74	291.53	320.21	338.13	348.88	469.56
68	261.66	313.04	341.72	363.22	376.36	506.60
69	279.59	335.74	364.42	389.51	403.85	547.22
70	298.70	360.83	389.51	418.18	434.91	589.04
71	320.21	385.92	425.35	458.81	480.31	634.44
72	344.10	413.40	462.39	503.01	528.11	683.43
73	368.00	443.27	504.21	553.20	580.68	737.20
74	394.29	475.53	550.81	608.16	640.42	792.16
75	422.96	508.99	599.79	667.90	703.74	853.09
76	467.17	562.75	661.92	733.61	774.24	943.90
77	517.35	624.89	728.83	808.89	851.90	1044.26
78	573.51	691.79	805.30	888.94	937.92	1155.38
79	632.05	765.87	887.74	977.35	1032.31	1278.45
80	1038.29	0.00	0.00	0.00	0.00	0.00
81	1109.98	0.00	0.00	0.00	0.00	0.00
82	1185.25	0.00	0.00	0.00	0.00	0.00
83	1267.69	0.00	0.00	0.00	0.00	0.00
84	1353.72	0.00	0.00	0.00	0.00	0.00



Appendix A - Comparison to New Business Rates (Custom Care III Series)

Rates shown are for a 90-day EP, single, Standard policyholder, and are per \$100 monthly benefit

Inflation Option: CPI Inflation to 75

New Business Rates adjusted for Benefit Differences\* :

Issue Age	Benefit Period					
	2	3	4	5	6	10
18-29	82.97	102.93	112.55	127.22	151.03	201.38
30	87.30	108.46	118.08	133.48	158.49	212.56
31	88.50	109.67	120.01	135.40	160.41	216.37
32	89.22	111.59	121.21	137.32	162.82	220.83
33	90.43	112.79	123.62	139.73	164.74	222.12
34	91.63	114.00	125.54	140.93	166.66	225.92
35	92.83	115.92	126.74	142.85	169.07	230.38
36	93.55	117.12	128.67	145.26	170.99	231.67
37	94.76	118.32	131.07	147.18	172.92	235.46
38	95.96	120.25	132.27	149.11	175.32	239.91
39	97.40	121.45	134.20	151.51	177.97	242.18
40	98.60	123.37	136.60	154.16	180.37	246.63
41	99.81	124.58	139.25	156.56	184.70	253.04
42	102.21	126.50	141.65	159.69	189.75	260.44
43	104.13	128.43	144.30	162.82	194.80	265.98
44	106.06	130.35	147.42	165.94	199.85	273.38
45	107.98	132.75	150.07	168.59	204.90	280.79
46	110.39	133.96	153.20	172.44	210.67	289.20
47	111.59	135.88	155.84	175.56	215.73	294.00
48	113.51	137.80	158.97	178.69	221.98	304.98
49	115.92	139.73	162.09	182.54	227.03	312.41
50	117.84	142.13	164.74	185.66	233.28	321.50
51	119.77	144.78	167.87	189.99	234.00	321.50
52	121.69	147.18	170.99	193.12	234.72	322.28
53	123.37	150.31	173.40	197.45	235.21	322.28
54	125.30	152.96	176.52	201.30	235.93	322.28
55	126.50	155.36	179.65	205.62	236.65	322.28
56	130.35	160.41	185.90	211.40	246.03	333.77
57	133.48	164.74	192.16	217.65	256.61	348.50
58	137.80	169.79	199.61	223.18	267.43	363.57
59	141.65	174.84	206.59	228.95	278.49	380.73
60	145.50	179.89	214.04	235.93	290.52	396.81
61	152.96	190.95	225.83	247.71	301.82	411.74
62	160.89	202.74	238.33	259.74	313.13	426.06
63	169.07	215.24	252.04	272.72	325.63	443.74
64	177.73	228.95	266.47	285.95	338.86	460.12
65	186.38	243.14	281.38	300.38	352.09	475.97
66	201.30	260.46	300.62	323.95	381.91	519.13
67	216.69	278.98	320.58	350.64	414.13	562.76
68	233.28	298.70	342.23	378.54	448.29	610.07
69	251.08	320.34	365.07	408.36	486.28	662.03
70	270.80	343.19	389.84	441.31	527.17	720.75
71	289.08	369.40	421.83	477.14	570.46	763.43
72	307.84	398.74	457.42	515.38	617.35	813.10
73	328.52	430.49	494.70	557.95	668.10	864.21
74	350.40	463.44	536.31	602.92	723.65	925.41
75	373.97	499.99	580.32	652.23	782.82	989.44

ICC10-LTC-11 Rates after Requested Rate Increases

excluding additional rate increase due to cost of delay :

Issue Age	Benefit Period					
	2	3	4	5	6	10
18-29	62.13	75.27	82.44	87.22	89.61	119.48
30	65.71	78.86	86.03	90.81	93.20	125.45
31	66.91	80.05	87.22	92.00	94.39	127.84
32	68.10	82.44	88.42	93.20	95.58	129.04
33	68.10	82.44	89.61	94.39	96.78	131.43
34	69.30	83.64	90.81	95.58	97.97	132.62
35	70.49	84.83	92.00	96.78	99.17	135.01
36	71.69	86.03	94.39	99.17	101.56	137.40
37	72.88	87.22	95.58	100.36	102.75	139.79
38	74.08	89.61	97.97	102.75	105.14	142.18
39	75.27	90.81	100.36	103.95	106.34	145.77
40	76.47	92.00	102.75	106.34	108.73	149.35
41	77.66	93.20	103.95	108.73	111.12	151.74
42	78.86	95.58	105.14	109.92	113.51	154.13
43	82.44	96.78	107.53	112.31	115.90	157.71
44	83.64	99.17	108.73	115.90	118.29	160.10
45	86.03	100.36	109.92	117.09	120.68	162.49
46	87.22	102.75	112.31	119.48	123.07	166.08
47	88.42	105.14	115.90	121.87	125.45	169.66
48	89.61	106.34	117.09	124.26	127.84	173.25
49	90.81	108.73	119.48	126.65	130.23	176.83
50	93.20	111.12	121.87	129.04	132.62	181.61
51	95.58	113.51	125.45	132.62	136.21	186.39
52	97.97	117.09	129.04	136.21	139.79	192.36
53	100.36	120.68	132.62	139.79	143.38	197.14
54	102.75	123.07	137.40	144.57	149.35	201.92
55	106.34	126.65	140.99	149.35	152.94	207.90
56	109.92	131.43	145.77	155.33	158.91	217.46
57	113.51	136.21	152.94	161.30	164.88	224.62
58	119.48	140.99	158.91	167.27	170.86	232.99
59	124.26	145.77	163.69	173.25	178.03	241.35
60	127.84	152.94	170.86	180.42	185.20	252.10
61	135.01	161.30	181.61	191.17	195.95	266.44
62	143.38	169.66	191.17	201.92	206.70	281.97
63	151.74	180.42	203.12	215.07	219.84	297.51
64	160.10	189.97	215.07	227.01	232.99	315.43
65	169.66	200.73	228.21	238.96	247.33	333.35
66	181.61	216.26	242.55	256.88	265.25	359.64
67	193.56	231.79	259.27	274.81	285.56	388.31
68	205.51	249.72	276.00	295.12	307.07	418.18
69	221.04	267.64	293.92	317.82	330.96	450.44
70	235.38	287.95	314.23	339.33	356.05	486.29
71	254.49	313.04	344.10	373.98	396.68	525.72
72	273.61	339.33	373.98	408.62	436.11	565.14
73	293.92	364.42	403.85	443.27	476.73	605.77
74	313.04	390.70	433.72	477.92	516.16	645.20
75	332.16	415.79	463.59	512.57	556.78	684.63

ICC10-LTC-11 Rates after Requested Rate Increases

including additional rate increase due to cost of delay :

Issue Age	Benefit Period					
	2	3	4	5	6	10
18-29	62.13	75.27	82.44	87.22	89.61	119.48
30	65.71	78.86	86.03	90.81	93.20	125.45
31	66.91	80.05	87.22	92.00	94.39	127.84
32	68.10	82.44	88.42	93.20	95.58	129.04
33	68.10	82.44	89.61	94.39	96.78	131.43
34	69.30	83.64	90.81	95.58	97.97	132.62
35	70.49	84.83	92.00	96.78	99.17	135.01
36	71.69	86.03	94.39	99.17	101.56	137.40
37	72.88	87.22	95.58	100.36	102.75	139.79
38	74.08	89.61	97.97	102.75	105.14	142.18
39	75.27	90.81	100.36	103.95	106.34	145.77
40	76.47	92.00	102.75	106.34	108.73	149.35
41	77.66	93.20	103.95	108.73	111.12	151.74
42	78.86	95.58	105.14	109.92	113.51	154.13
43	82.44	96.78	107.53	112.31	115.90	157.71
44	83.64	99.17	108.73	115.90	118.29	160.10
45	86.03	100.36	109.92	117.09	120.68	162.49
46	87.22	102.75	112.31	119.48	123.07	166.08
47	88.42	105.14	115.90	121.87	125.45	169.66
48	89.61	106.34	117.09	124.26	127.84	173.25
49	90.81	108.73	119.48	126.65	130.23	176.83
50	93.20	111.12	121.87	129.04	132.62	181.61
51	95.58	113.51	125.45	132.62	136.21	186.39
52	97.97	117.09	129.04	136.21	139.79	192.36
53	100.36	120.68	132.62	139.79	143.38	197.14
54	102.75	123.07	137.40	144.57	149.35	201.92
55	106.34	126.65	140.99	149.35	152.94	207.90
56	109.92	131.43	145.77	155.33	158.91	217.46
57	113.51	136.21	152.94	161.30	164.88	224.62
58	119.48	140.99	158.91	167.27	170.86	232.99
59	124.26	145.77	163.69	173.25	178.03	241.35
60	127.84	152.94	170.86	180.42	185.20	252.10
61	135.01	161.30	181.61	191.17	195.95	266.44
62	143.38	169.66	191.17	201.92	206.70	281.97
63	151.74	180.42	203.12	215.07	219.84	297.51
64	160.10	189.97	215.07	227.01	232.99	315.43
65	169.66	200.73	228.21	238.96	247.33	333.35
66	181.61	216.26	242.55	256.88	265.25	359.64
67	193.56	231.79	259.27	274.81	285.56	388.31
68	205.51	249.72	276.00	295.12	307.07	418.18
69	221.04	267.64	293.92	317.82	330.96	450.44
70	235.38	287.95	314.23	339.33	356.05	486.29
71	254.49	313.04	344.10	373.98	396.68	525.72
72	273.61	339.33	373.98	408.62	436.11	565.14
73	293.92	364.42	403.85	443.27	476.73	605.77
74	313.04	390.70	433.72	477.92	516.16	645.20
75	332.16	415.79	463.59	512.57	556.78	684.63

ICC10-LTC-11 2019 Rate Increases (%) :

Issue Age	Benefit Period					
	2	3	4	5	6	10
18-29	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
30	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
31	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
32	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
33	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
34	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
35	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
36	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
37	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
38	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
39	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
40	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
41	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
42	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
43	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
44	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
45	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
46	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
47	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
48	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
49	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
50	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
51	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
52	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
53	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
54	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
55	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
56	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
57	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
58	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
59	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
60	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
61	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
62	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
63	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
64	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
65	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
66	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
67	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
68	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
69	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
70	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
71	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
72	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
73	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
74	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
75	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%

Appendix A - Comparison to New Business Rates (Custom Care III Series)

Rates shown are for a 90-day EP, single, Standard policyholder, and are per \$100 monthly benefit

Inflation Option: 5% Compound Inflation

New Business Rates adjusted for Benefit Differences\* :

Issue Age	Benefit Period					
	2	3	4	5	6	10
18-29	284.51	361.47	393.69	444.92	525.72	694.32
30	287.63	364.59	398.02	449.25	530.78	701.32
31	288.84	365.31	398.74	450.45	531.98	704.09
32	289.56	366.52	399.95	451.17	532.70	706.22
33	290.04	367.24	400.67	452.37	533.90	706.69
34	290.76	367.96	401.87	453.10	534.62	707.08
35	291.96	369.16	402.59	454.30	536.55	710.80
36	292.68	369.16	403.79	455.50	537.27	712.91
37	293.89	369.88	404.51	456.22	538.47	715.67
38	294.61	371.09	405.72	457.42	539.19	715.67
39	295.09	371.81	406.44	458.15	540.40	718.25
40	295.81	372.53	407.64	459.35	541.12	720.35
41	298.22	374.93	411.97	464.16	550.26	733.67
42	300.62	376.62	416.30	468.49	558.91	746.39
43	303.03	379.02	420.63	472.58	568.05	759.77
44	305.43	381.43	425.44	477.39	576.71	772.54
45	307.84	383.11	429.77	482.20	586.57	786.95
46	310.24	385.52	434.10	487.00	595.71	800.43
47	312.65	387.92	439.63	491.81	605.57	816.77
48	315.05	390.33	443.96	496.62	615.91	831.95
49	317.46	392.49	448.77	501.43	625.05	845.54
50	319.86	394.89	453.82	506.24	634.91	860.14
51	323.23	397.54	456.94	510.09	637.32	862.02
52	326.59	400.67	460.79	513.94	639.72	863.91
53	330.44	403.79	464.64	517.07	641.64	867.77
54	333.81	407.64	467.77	520.43	644.05	869.66
55	337.66	410.77	471.61	524.28	645.73	870.59
56	340.30	414.62	475.22	526.93	650.54	879.58
57	342.71	419.19	479.55	529.09	654.63	885.00
58	345.11	423.03	483.16	531.74	659.92	894.65
59	347.76	428.08	486.76	533.18	664.01	901.98
60	350.16	432.65	491.09	535.34	669.30	911.63
61	355.69	446.12	503.84	547.85	674.35	918.38
62	360.74	459.11	517.79	559.15	678.92	926.29
63	365.79	474.02	531.74	571.66	683.97	936.51
64	372.05	487.73	545.69	584.17	689.02	945.92
65	377.10	502.64	560.84	596.67	694.07	952.91
66	399.70	528.37	591.14	636.35	745.54	1006.31
67	422.31	554.82	623.85	678.44	800.61	1063.53
68	446.84	582.48	657.76	723.65	860.01	1123.18
69	473.30	611.34	694.07	771.99	923.51	1188.86
70	500.71	642.61	731.59	822.74	992.05	1256.00
71	550.74	699.60	783.54	879.74	1048.32	1314.29
72	605.57	763.09	839.57	939.62	1108.21	1373.91
73	665.69	831.40	899.46	1004.55	1171.46	1440.53
74	732.79	905.47	963.91	1074.06	1237.83	1504.57
75	805.18	986.76	1032.93	1147.89	1309.02	1577.06
76	864.58	988.30	1165.88	1263.40	1340.54	1611.27
77	927.83	1092.52	1289.56	1402.78	1485.12	1782.15
78	994.93	1207.28	1425.58	1557.74	1645.35	1969.08
79	1069.01	1336.26	1577.98	1732.63	1824.22	2178.55
80	1682.99	1336.26	0.00	0.00	0.00	0.00
81	1782.80	1336.26	0.00	0.00	0.00	0.00
82	1889.58	1336.26	0.00	0.00	0.00	0.00
83	2003.82	1336.26	0.00	0.00	0.00	0.00
84	2123.58	1336.26	0.00	0.00	0.00	0.00

ICC10-LTC-11 Rates after Requested Rate Increases

excluding additional rate increase due to cost of delay :

Issue Age	Benefit Period					
	2	3	4	5	6	10
18-29	212.39	259.59	281.88	297.61	306.79	403.80
30	222.88	271.39	297.61	313.34	321.21	424.78
31	224.19	272.70	298.92	314.65	322.52	427.40
32	225.50	274.01	300.23	315.96	323.83	430.02
33	225.50	275.32	302.85	318.59	325.14	431.34
34	226.81	276.63	305.47	319.90	326.45	433.96
35	228.12	277.94	306.79	321.21	327.76	436.58
36	229.43	279.25	308.10	322.52	329.07	439.20
37	230.74	280.56	309.41	323.83	331.70	440.51
38	232.06	283.19	310.72	326.45	333.01	443.14
39	234.68	284.50	312.03	327.76	335.63	444.45
40	235.99	285.81	313.34	329.07	336.94	448.38
41	237.30	287.12	314.65	330.38	338.25	451.00
42	238.61	288.43	315.96	331.70	340.87	452.31
43	239.92	289.74	317.27	333.01	342.18	453.62
44	241.23	291.05	319.90	334.32	343.50	456.25
45	242.54	292.36	321.21	335.63	344.81	457.56
46	243.86	293.68	321.21	335.63	344.81	460.18
47	245.17	294.99	322.52	336.94	346.12	464.11
48	246.48	294.99	323.83	336.94	346.12	466.73
49	247.79	296.30	323.83	338.25	347.43	469.36
50	249.10	297.61	325.14	340.87	348.74	473.29
51	251.72	300.23	329.07	343.50	352.67	477.22
52	253.03	305.47	333.01	347.43	356.61	482.47
53	255.65	308.10	336.94	351.36	360.54	487.71
54	258.28	312.03	340.87	355.29	364.47	492.95
55	260.90	315.96	344.81	359.23	368.41	496.89
56	264.83	321.21	351.36	365.78	374.96	507.38
57	271.39	327.76	357.92	372.34	384.14	517.86
58	276.63	333.01	364.47	381.52	390.69	529.66
59	281.88	340.87	369.72	388.07	398.56	541.46
60	287.12	347.43	377.58	394.63	405.11	551.95
61	298.92	361.85	394.63	412.98	423.47	576.86
62	312.03	377.58	412.98	430.02	440.51	603.08
63	325.14	393.32	430.02	448.38	460.18	629.30
64	340.87	409.05	449.69	466.73	478.53	656.84
65	355.29	427.40	469.36	487.71	499.51	685.68
66	371.03	449.69	491.64	513.93	530.98	715.83
67	389.38	470.67	515.24	541.46	563.75	748.61
68	406.43	495.58	540.15	571.62	597.84	781.39
69	426.09	520.49	566.37	603.08	635.86	816.78
70	445.76	546.71	593.91	637.17	673.88	852.18
71	487.71	584.73	646.35	692.23	735.50	920.36
72	532.29	625.37	702.72	755.16	801.05	993.78
73	579.48	671.26	764.34	822.03	873.16	1072.44
74	633.24	717.14	831.21	895.45	953.13	1157.66
75	690.92	766.96	904.62	975.42	1038.35	1250.74
76	735.50	839.07	991.15	1072.44	1139.30	1368.74
77	780.07	919.05	1084.24	1179.95	1249.43	1498.53
78	827.27	1005.58	1187.81	1296.63	1368.74	1640.12
79	879.71	1099.97	1299.25	1426.42	1501.15	1793.52
80	1384.47	0.00	0.00	0.00	0.00	0.00
81	1467.07	0.00	0.00	0.00	0.00	0.00
82	1554.91	0.00	0.00	0.00	0.00	0.00
83	1647.99	0.00	0.00	0.00	0.00	0.00
84	1747.63	0.00	0.00	0.00	0.00	0.00

ICC10-LTC-11 Rates after Requested Rate Increases

including additional rate increase due to cost of delay :

Issue Age	Benefit Period					
	2	3	4	5	6	10
18-29	212.39	259.59	281.88	297.61	306.79	403.80
30	222.88	271.39	297.61	313.34	321.21	424.78
31	224.19	272.70	298.92	314.65	322.52	427.40
32	225.50	274.01	300.23	315.96	323.83	430.02
33	225.50	275.32	302.85	318.59	325.14	431.34
34	226.81	276.63	305.47	319.90	326.45	433.96
35	228.12	277.94	306.79	321.21	327.76	436.58
36	229.43	279.25	308.10	322.52	329.07	439.20
37	230.74	280.56	309.41	323.83	331.70	440.51
38	232.06	283.19	310.72	326.45	333.01	443.14
39	234.68	284.50	312.03	327.76	335.63	444.45
40	235.99	285.81	313.34	329.07	336.94	448.38
41	237.30	287.12	314.65	330.38	338.25	451.00
42	238.61	288.43	315.96	331.70	340.87	452.31
43	239.92	289.74	317.27	333.01	342.18	453.62
44	241.23	291.05	319.90	334.32	343.50	456.25
45	242.54	292.36	321.21	335.63	344.81	457.56
46	243.86	293.68	321.21	335.63	344.81	460.18
47	245.17	294.99	322.52	336.94	346.12	464.11
48	246.48	294.99	323.83	336.94	346.12	466.73
49	247.79	296.30	323.83	338.25	347.43	469.36
50	249.10	297.61	325.14	340.87	348.74	473.29
51	251.72	300.23	329.07	343.50	352.67	477.22
52	253.03	305.47	333.01	347.43	356.61	482.47
53	255.65	308.10	336.94	351.36	360.54	487.71
54	258.28	312.03	340.87	355.29	364.47	492.95
55	260.90	315.96	344.81	359.23	368.41	496.89
56	264.83	321.21	351.36	365.78	374.96	507.38
57	271.39	327.76	357.92	372.34	384.14	517.86
58	276.63	333.01	364.47	381.52	390.69	529.66
59	281.88	340.87	369.72	388.07	398.56	541.46
60	287.12	347.43	377.58	394.63	405.11	551.95
61	298.92	361.85	394.63	412.98	423.47	576.86
62	312.03	377.58	412.98	430.02	440.51	603.08
63	325.14	393.32	430.02	448.38	460.18	629.30
64	340.87	409.05	449.69	466.73	478.53	656.84
65	355.29	427.40	469.36	487.71	499.51	685.68
66	371.03	449.69	491.64	513.93	530.98	715.83
67	389.38	470.67	515.24	541.46	563.75	748.61
68	406.43	495.58	540.15	571.62	597.84	781.39
69	426.09	520.49	566.37	603.08	635.86	816.78
70	445.76	546.71	593.91	637.17	673.88	852.18
71	487.71	584.73	646.35	692.23	735.50	920.36
72	532.29	625.37	702.72	755.16	801.05	993.78
73	579.48	671.26	764.34	822.03	873.16	1072.44
74	633.24	717.14	831.21	895.45	953.13	1157.66
75	690.92	766.96	904.62	975.42	1038.35	1250.74
76	735.50	839.07	991.15	1072.44	1139.30	1368.74
77	780.07	919.05	1084.24	1179.95	1249.43	1498.53
78	827.27	1005.58	1187.81	1296.63	1368.74	1640.12
79	879.71	1099.97	1299.25	1426.42	1501.15	1793.52
80	1384.47	0.00	0.00	0.00	0.00	0.00
81	1467.07	0.00	0.00	0.00	0.00	0.00
82	1554.91	0.00	0.00	0.00	0.00	0.00
83	1647.99	0.00	0.00	0.00	0.00	0.00
84	1747.63	0.00	0.00	0.00	0.00	0.00



**Long Term Care Insurance Rate Request Summary  
Part 1 – To Be Completed By Company**

**Company Name and NAIC Number:** John Hancock Life Insurance Company (U.S.A), 69477

**SERFF Tracking Number:** MULF-133155435

**Revised Rates**

**Average Annual Premium Per Member:** \$2,836

**Average Requested Percentage Rate Change Per Member:** 9.5%

**Range of Requested Rate Changes:** 0.5% to 24.6%

**Number of Virginia Policyholders Affected** 326

Form Number	Product Name	Issue Dates	Prior Rate Increases – Date and Percentage Approved	Outlook for Future Rate Increases
ICC10-LTC-11	Custom Care III	June 2011 - Feb 2013	None	Due to the capped approval if the requested premium rate schedule increase is implemented and the underlying assumptions are realized, additional rate increases will be necessary to achieve the full actuarially justified request based on the Lifetime Loss Ratio.

**Attach a narrative to summarize the key information used to develop the rates including the main drivers for the revised rates.**

This document is prepared by the carrier to help explain the requested rate change and is only a summary of the company's request. It is not intended to describe or include all factors or information considered in the review process. For more detailed information, please refer to the complete filing at <https://www.scc.virginia.gov/boi/SERFFInquiry/default.aspx>. (Rev. 06/19)

## **Summary of the John Hancock's 2019 Rate Increase Request**

### **John Hancock Life Insurance Custom Care III Policy Series**

When pricing a long-term care insurance product, insurance companies use the best available information at that time to predict how many policyholders might ultimately use the benefit in the future. This involves making certain assumptions about a variety of factors including: particular medical conditions, the expected lifespan of policyholders, the length of time policyholders keep their policies, and the cost of receiving long-term care services. If the actual experience differs in an unfavorable way from the expected experience based on these assumptions, a premium rate increase may become necessary.

John Hancock continuously monitors the experience of our in-force LTC insurance policies. Our most recent analysis demonstrates that claims continue to last longer than expected. Unfortunately, based on that data, we have determined that there is a need to increase premiums so we can meet our future claims obligations.

The main drivers used to develop the revised rates for the ICC10-LTC-11 policy series are a result of our 2019 experience study. This comprehensive study is generally conducted every three years and examines the usage trend for our insured population. The study results show lower than expected claim terminations during the elimination/waiting period, partially offset by favorable incidence as policyholders are filing claims at a lower rate than expected. In short, we anticipate having to pay more claims in the future than previously expected.

Increases will vary by issue age, inflation, benefit period, policy series, and state. The filing will vary by state based on the amount and timing of prior increases that we were permitted to implement in that state. In this way, policyholders are not subsidizing policyholders in other states.

In Virginia, on our John Hancock Life Insurance Company block of business, we are requesting an average rate increase of 9.5% which ranges from 0.5% to 24.6%. This includes the Custom Care III policy form.

No individual has been singled out for an increase, nor is the increase due to a policyholder's advancing age or changing health. John Hancock's decision to increase premiums on certain policies is based upon the future claims anticipated on these policies.

There will be a number of benefit adjustment options to help keep premiums at or close to their current level. For example, customers can reduce their benefit period, adjust their daily/monthly benefit amount, extend their elimination period, or drop riders from their coverage.

After the rate increase is accepted by the Virginia Insurance Department, affected policyholders will be provided with an extensive and personalized notification communication at least 90 days prior to the effective date, which will describe the increase and options available to mitigate the impact of the rate increase. In addition, customer support will be available through a dedicated customer service team in order to help our policyholders navigate through their choices and respond to any questions.

**John Hancock Life Insurance Company (U.S.A.)**

200 Berkeley Street  
Boston, Massachusetts 02117  
1-888-877-6075  
Direct: (617) 572-0101  
Email: mfluet@jhancock.com

**Michelle Fluet**  
**Senior Contract Consultant**  
**US Legacy - LTC**

March 1, 2022

Scott A. White  
Commissioner of Insurance  
Virginia State Corporation Commission  
Bureau of Insurance  
Tyler Building, 6<sup>th</sup> Floor  
1300 East Main Street  
Richmond, Virginia 23219

Re: **John Hancock Life Insurance Company (U.S.A.)**  
**Company NAIC # 65838; FEIN #: 01-0233346**  
**Individual Long-Term Care Insurance Rate Revision Submission**  
**Revised Actuarial Memos (See Policy Form List Below)**

Dear Commissioner:

We have recently completed our 2019 experience study. This comprehensive study is generally conducted every three years and examines the usage trend for our insured population. The study results show lower than expected claim terminations during the elimination/waiting period and an updated view of future mortality and morbidity improvements, partially offset by favorable incidence as policyholders are filing claims at a lower rate than expected. In short, we anticipate having to pay more claims in the future than previously expected.

As a result of the factors listed above, we are requesting a premium rate increase on the policy series listed below and are enclosing the actuarial memos and rates for your review and acceptance.

Policy Series	Approval Date	Years Sold	Average Increase
ICC10-LTC-11	3/4/2011	2011 – 2013	21.3%

The proposed premium rates will be effective on the next policy anniversary date, following a 90-day policyholder notification period, which will be made as soon as practicable following state acceptance. As we will describe later in this letter, we will also offer affected insureds various benefit reduction options to help mitigate the impact of the rate increase.

The increases requested reflect the timing of the acceptance of our prior rate increase filings as well as any unapproved amounts from our prior filing on an actuarially equivalent basis.

**Policyholder Options**

We are fully aware that a premium increase may be difficult for our policyholders. Therefore, we will provide all policyholders with options which will help them mitigate the impact of any increase.

- **Inflation Reduction**

If the policyholder selects this option, they will be able to offset the premium rate increase.

Policyholders who originally purchased lifetime 5% compound will be provided with the ability to keep premium at the current level by decreasing their future inflation coverage to a lower percentage. These policyholders will

be able to keep all accrued inflation increase amounts to date and the lower inflation index will apply on a prospective basis only. Reduced inflation rates are determined to be actuarially equivalent to the requested rate increase and therefore these options are only available if the full rate increase requested is accepted.

We intend to use the previously approved inflation form, **LTC-COMP VA 5/19**, approved on June 28, 2019 under SERFF and State Tracking Number MULF-131278368. The reduced index percentage is found in Appendix A.

- **Paid-up Option**

If the policyholder selects this option, the policy will be converted to a paid-up status on the rate increase effective date (the next policy anniversary date). The new policy limit will be equal to 150% of premiums paid, less any claims paid. Under this option all optional riders will terminate, and no additional inflation adjustments/increases will be provided.

We intend to use the previously approved form, **LTC-PDUP2 5/19**, approved on February 16, 2021 under SERFF and State Tracking Number MULF-132319248.

Please note all of the referenced mitigation options above may not be available if the rate increase is not approved as requested.

- **Nonforfeiture**

The nonforfeiture benefit, if purchased, may be exercised and the policy will be converted to paid-up status in accordance with the policy provision on the rate increase effective date.

- **Contingent Nonforfeiture**

If the NAIC contingent nonforfeiture benefit is triggered customers will be offered paid-up coverage in accordance with the provision. Please note, that we will be voluntarily administering the contingent nonforfeiture benefit as described in the NAIC Model Bulletin "Announcement of Alternative Filing Requirements for Long-Term Care Premium Rate Increases" (as adopted by the Senior Issues Task Force on 8/9/2013.) We are allowing contingent nonforfeiture if the rate increase trigger is met for all affected policyholders, even if it was not otherwise required in your State.

- **Additional Mitigation Options**

Policyholders may also be able to reduce their benefit period, adjust their daily/monthly benefit amount, drop optional benefit riders or extend their elimination period.

## **Policyholder Communication Package**

We intend to use our communication package that was approved by the Department on February 16, 2021 under SERFF and State Tracking Number MULF-132319248 for this form.

We developed the communication package keeping in mind the amount of meaningful and detailed information to the policyholder and presenting it in a clear manner. We have incorporated suggestions from state regulators, policyholders and our dedicated policyholder service representatives. This package will be personalized for each customer and of course will vary by their respective situation. This package is included in Supporting Documentation.

## **Ensuring No Cross-Subsidization Between States**

We have ensured no state's rate increase approvals will subsidize other states' experience. Rate increases will vary by state, but only to reflect the timing and amount of prior rate increases approved by that state. This is accomplished by first backing-out all prior rate increases from our nationwide premium data. We then re-introduce prior rate increases with the amount and timing based on your state's prior approvals. The current proposed rate increases are then determined based on the amounts needed in order to achieve our target loss ratios where our targets reflect the lifetime loss ratios certified to in our prior filing.

Although some states may have capped our previous inforce rate increase filings, in each case this was done with the understanding that the full amount of the proposed rate increases were justified, and that John Hancock would be

refiling for the remainder at a later date. In instances where the remainder remains unapproved, it has been included in the current filings.

### **Past Losses Testing**

Preventing companies from recouping past losses was the subject of a recent discussion by the Health Actuarial Task Force in late 2013. The accepted methodology by the Health Actuarial Task Force is to define past losses as actual past claims less expected past claims when determining loss ratio compliance where expected past claims are defined as the following:

Expected claims shall be calculated based on the original filing assumptions assumed until new assumptions are filed as part of a rate increase. New assumptions shall be used for all periods beyond each requested effective date of a rate increase regardless of whether or not the rate increase is approved. Expected claims are calculated for each calendar year based on the in-force during the calendar year. Expected claims shall include margins for moderately adverse experience; the margins included in the claims that were used to determine the lifetime loss ratio consistent with the original filing or as modified in any rate increase filing.

The rate increases we calculated follow the methodology described above to ensure that we are not recouping past losses.

This submission is being filed in all states.

The following items are included in this submission:

- the submission letter.
- all actuarial material.
- all required certifications.

Please do not hesitate to contact us regarding this submission. We will be happy to meet with the Department either in person or via conference call at a time of your convenience.

Thank you for your time and consideration in this matter.

Sincerely,

Michelle Fluet

## **Appendix A**

### **New 2019 Lower Inflation Index Amount by Policy Form and Category.**

	PH has a 5% Inflation index rate	PH Accepted 2013 and 2016 Rate Increase & 2010 Reduced Inflation Rate	PH Accepted 2010 and 2016 Rate Increase & 2013 Reduced Inflation Rate	PH Accepted 2010 and 2013 Rate Increase & 2016 Reduced Inflation Rate	PH Accepted 2016 Rate Increase & 2010 & 2013 Reduced Inflation Rate	PH Accepted 2013 Rate Increase & 2010 & 2016 Reduced Inflation Rate	PH Accepted 2010 Rate Increase & 2013 & 2016 Reduced Inflation Rate
Policy Form	New Lower Compound and Simple Index Amount	New Lower Compound and Simple Index Amount	New Lower Compound and Simple Index Amount	New Lower Compound and Simple Index Amount	New Lower Compound and Simple Index Amount	New Lower Compound and Simple Index Amount	New Lower Compound and Simple Index Amount
ICC10-LTC-11	2.8%	NA	NA	NA	NA	NA	NA

[Peter K. Burke  
Assistant Vice President]  
Long-Term Care Insurance  
PO Box 55978  
Boston, MA 02205-9723



[First Name] [Last Name]  
[Address1]  
[Address2]  
[City], [State] [Zip]

[Date]

Re: **Notice of Premium Rate Increase – Long-Term Care Insurance Policy No. [xxx].**  
**Decision Required by [date].**

John Hancock Life Insurance Company (U.S.A.) (John Hancock)

Dear [First Name] [Last Name],

We are writing to let you know that the premium for your John Hancock long-term care insurance (LTCi) policy is increasing. This notice will provide you with:

- **Details** about the premium increase
- **Options** available to you to help keep your premiums at or near their current level
- **Next Steps** and the resources to help you decide how to manage the increase

### **About the Premium Increase**

John Hancock is committed to helping ensure LTCi benefits will be there when most needed. To uphold this responsibility, we continuously monitor the experience of our LTCi policies. Our most recent comprehensive claims study, which we generally conduct every three years, demonstrates lower than expected claim terminations during the elimination period. In short, we anticipate having to pay more claims in the future than previously expected. Based on that data, we have determined that there is a need to increase premiums on this policy series to reflect that future claims are expected to be significantly higher on these policies than originally expected or priced in order to meet future claims obligations.

### **Your Premium Increase**

Based on your current benefit selections, your premiums will increase from [current premium] to [new premium], [policy mode]. This new premium will be effective for premiums due on or after [next policy anniversary]. You may pay this higher premium or choose one of the options to help mitigate the increase. Please note this letter is not a bill.

It is important for you to know that:

- the rate increase request was reviewed by Virginia's State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are available for public inspection and may be accessed online through the Virginia Bureau of Insurance's webpage at [www.scc.virginia.gov/BOI](http://www.scc.virginia.gov/BOI).
- no person has been singled out for an increase
- no increase is due to advancing age or changing health

The decision to increase premiums on certain policies is based upon the future claims anticipated on these policies and has been made by John Hancock - not your insurance agent nor the Virginia Bureau of Insurance. As a reminder, per the terms of your policy, premium rates are not guaranteed and could be increased again in the future, at which time similar benefit reduction options may be available to you. However, please be advised that John Hancock will not apply any additional premium rate increase to your policy for at least [12] months from your policy anniversary date of [next policy anniversary].

## Your Options

We understand that a premium increase may not be affordable for some. **Therefore, we are offering you options to help keep your premiums at or near their current level.** Please see the enclosed "Options Worksheet" for more information on these options that may help you mitigate the premium increase.

## Included in this Package

- **Options Worksheet** (pages [3-6]) – provides details about your current coverage and the options you have to help mitigate the premium increase. **Please note that all the options available to you may not be of equal value. Please review this information carefully.**
- **Frequently Asked Questions** (page [7]) – provides answers to some of the most common questions.
- **Coverage Change Request Form** (pages [8-9]) – may be used to elect an option to help mitigate the increase.

## Next Steps

- We recommend that you review all options available to you (including paying the rate increase and any available benefit reduction options) and consult with your family members and other advisors to determine which option is appropriate for your needs.
- If you decide to reduce your coverage as outlined in the Options Worksheet, simply complete the "Coverage Change Request Form" and return it to John Hancock by **[Month XX, YYYY]**.
- If you choose to make no changes to your coverage, no action is required, and your new increased premium will become effective on **[Month XX, YYYY]**.

## Where to Get Help

- **Contact John Hancock** with any questions you may have. Please visit [www.jhinfocenter.com](http://www.jhinfocenter.com) or contact one of our customer service representatives at [844-272-7842], Monday through Friday from 8:00 a.m. – 6:00 p.m. Eastern Time. The TTY number for the hearing impaired is 800-555-5421. Our dedicated team is available to help you make a decision that best meets your personal needs.
- **You may contact your local State Health Insurance Assistance Program (SHIP)** if you need additional counseling on your options. Please go to [www.shiptacenter.org](http://www.shiptacenter.org) to find the SHIP location closest to you.
- **You may also contact your State Department/Bureau of Insurance** if you need additional counseling on your options. Please go to [http://naic.org/state\\_web\\_map.htm](http://naic.org/state_web_map.htm) to find your State Department/Bureau of Insurance.

We sincerely regret having to take this action, but we hope you find that the options and resources provided are helpful.

Sincerely,



[Peter K. Burke  
Assistant Vice President, Long-Term Care Operations]

Enclosures:  
Options Worksheet  
Frequently Asked Questions  
Coverage Change Request Form



## YOUR OPTIONS SUMMARY

The table below shows:

- Your current premium and the new premium you will be charged if you keep your current coverage; and
- Options you have available to help mitigate the premium increase, including any impact the change would have on your coverage and the resulting premium, where applicable. Please also see page [5] for other options that may be available to you.

Please visit [www.jhinfocenter.com](http://www.jhinfocenter.com) for current **cost of care** information specific to your area. As you evaluate what is best for you, we encourage you to consider the current and projected cost of care in your area, as well as how much of that amount you are willing and able to pay from your own savings.

Current Coverage		Coverage Change Options					
	Accept Rate Increase <sup>1</sup>	[Shared Cost Option <sup>1</sup>	[Reduce your BP <sup>2]</sup>	[Reduce your [DB/MB] <sup>2]</sup>	[Reduce your BP & [DB/MB] <sup>2]</sup>	[Paid-up Policy] [Contingent Benefit Upon Lapse /Nonforfeit ure Benefit <sup>6]</sup>	[Cancel Coverage]
[Daily Benefit (DB)/Monthly Benefit (MB)] <sup>3</sup>	\$(XXX)	\$(XXX)	\$(XXX)	\$(XXX)	\$(XXX)	\$(XXX)	Cancel your coverage, effective immediately.
Benefit Period (BP)	[X]-year	[X]-year	[Y]-year	[X]-year	[Z]-year	N/A	
[Your Shared Cost Percentage	[XX]%	[XX]% <sup>[5]</sup>	[XX]%	[XX]%	[XX]%	[XX%]	
[Shared Cost Feature	No	Yes <sup>[5]</sup>	No	No	No	[No]	
Elimination Period	[List Here]						
Inflation Option	[List Here]						
Optional Riders	[List Here]						
Current [modal] Premium	\$(XXX)						
<b>New [modal] Premium<sup>4</sup></b>	<b>\$(XXX)</b>	<b>\$(XXX)</b>	<b>\$(XXX)</b>	<b>\$(XXX)</b>	<b>\$(XXX)</b>	<b>N/A</b>	

Note - certain benefit reduction options will reduce your overall policy limit. Please contact John Hancock at [844-272-7842] for details. Please note that, as the insured, you have the right to a revised premium rate or rate schedule upon request.

**[In some instances, certain changes are subject to Partnership regulatory benefit minimum requirements and may result in a loss of Partnership status.]** [Important: Your policy includes a "Limited Pay" premium provision. Please consider the number of remaining payments on your policy before making the decision to reduce your benefits.]

<sup>1</sup>Assumes no recent changes in your current coverage.

<sup>2</sup>This reduction will also result in a corresponding decrease in your Total Policy Limit.

<sup>3</sup>[DB/MB] is the most the coverage will reimburse for the costs of covered long-term care services received [on any day][in any month]. [Note: our records indicate there is claim activity on your policy; please consider your current policy limit before making the decision to reduce your benefits.] [You may also want to review the restoration of benefits provision in your policy before making your decision.]

<sup>4</sup>As of [Month XX, YYYY]. [Note: Due to the pending release of CPI data by the U.S. Department of Labor, we are unable to quote [DB/MB] reductions until [Month] 20<sup>th</sup>.]

<sup>5</sup>Represents your cumulative Shared Cost percentage after electing the current Shared Cost reduction offer of [XX%]. More details provided on the following page.]

<sup>6</sup>Your Shared Cost percentage would be [XX]%. This change will also result in a reduction to your overall policy limit. See page 5 for more details on this option.]

Options Worksheet for [First Name] [Last Name]  
Policy # [XXXXX]  
John Hancock Life Insurance Company (U.S.A.)



## YOUR OPTIONS

### Exercise the Shared Cost Option

We are also making available to you a one-time opportunity to keep your premium at its current level and elect a personalized Shared Cost option which would:

- **Reduce your current benefit amounts by Your Shared Cost percentage of [XX]%. Choosing this option will result in a new daily benefit of \$[XXX] and a reduction to your overall policy limit. [Your new, overall Shared Cost percentage will be [XX%].] [Your new [daily/monthly] benefit amount will continue to grow at the rate of your automatic inflation coverage.]**

**AND**

- **Apply Your Shared Cost percentage to any future claim payments.** John Hancock will pay [1-XX%] of any covered services, but we will not pay more than the new [daily/monthly] benefit amount and the new policy limit. You will be responsible for the remaining portion of covered charges and all remaining costs.

The table below demonstrates the impact this change would have on three different claim examples after electing the [XX]% Shared Cost option[, compared to a traditional daily benefit reduction] The examples reflect our payment amount under the Shared Cost Option and the [DB/MB] Reduction Option when claim expenses are lower, are higher, and equal to your current daily benefit amount. Note – all amounts below are rounded to the nearest dollar for illustrative purposes.

	Example 1 \$[XXX] Claim Submitted			Example 2 \$[XXX] Claim Submitted			Example 3 \$[XXX] Claim Submitted		
	Keep Current Coverage	[DB] Reduction Option	Shared Cost Option	Keep Current Coverage	[DB] Reduction Option	Shared Cost Option	Keep Current Coverage	[DB] Reduction Option	Shared Cost Option
<b>Daily Benefit</b>	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]
<b>John Hancock's payment amount</b>	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]
<b>Your payment amount</b>	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]

Using example #3, let's look at how the Shared Cost amounts are determined (using rounded dollar amounts):

- Your existing \$[XXX] daily benefit is reduced by [XX]% ( $[XXX] - [XXX] =$  your new daily benefit of \$[XXX])
- You submit a claim for \$[XXX]
- John Hancock pays [XX]% of any covered service – but no more than your new daily benefit of \$[XXX] ( $[XXX] \times [XX]\% = [XXX]$ ; which is greater than your new daily benefit of \$[XXX] – therefore your claim reimbursement from John Hancock = \$[XXX])
- You are responsible for paying the remaining amount ( $[XXX] - [XXX] =$  your payment of \$[XXX])

When compared to a traditional daily benefit reduction, the Shared Cost option allows you to retain a higher daily benefit and policy limit – for a similar annual premium (see page 3).

Please note – as shown in the examples above, the Shared Cost Option is a benefit reduction option and impacts the amount of out of pocket expenses you will pay for covered services. The Shared Cost Option will also reduce your overall policy limit.

## YOUR OPTIONS

### [Reduce your Benefit Period]

Reduce your benefit period from [X]-year to [Y]-year, resulting in a new [modal] premium of \$[XXX]. Reducing your benefit period will also reduce your overall policy limit. There will be no change to your other benefit levels.]

### [Reduce your [Daily/Monthly] Benefit]

Reduce your [daily/monthly] benefit from \$[XXX] to \$[YYY], resulting in a new [modal] premium \$[XXX]. Reducing your [daily/monthly] benefit will also reduce your overall policy limit. There will be no change to your other benefit levels.]

### [Reduce your Benefit Period AND your [Daily/Monthly] Benefit]

Reduce your benefit period from [X]-year to [Y]-year AND your [daily/monthly] benefit from \$[XXX] to \$[YYY], resulting in a new [modal] premium of \$[XXX]. This combination of benefit reductions will also reduce your overall policy limit. There will be no change to your other benefit levels.]

### [Exercise the [Contingent Benefit Upon Lapse] [Nonforfeiture Benefit] [Paid-Up Policy Option], resulting in a paid-up policy with reduced benefits]

[Your policy includes a Nonforfeiture Benefit, which enables you to discontinue paying premiums and provides you with a paid-up policy with reduced benefits. By exercising this option, you will be significantly reducing your policy benefits, so you should give this careful consideration before you select it.]

[If you choose to cancel your policy within 120 days of [next policy anniversary date], we will modify your policy limit and convert your policy to paid-up status where no further premiums are due. Your new policy limit will be \$[XXXX], which represents the sum of all premiums paid.\* By exercising this option, you will be significantly reducing your policy benefits, so you should give this careful consideration before you select it.]

[If you choose to elect this option, your policy will be converted to a paid-up status with a modified policy limit where no further premiums are due. Your new policy limit will be \$[XXXXX], which represents 150% of all premiums paid.\* By exercising this option, you may be significantly reducing your policy benefits, so you should give this careful consideration before you select it.]

[The following terms apply if you choose to exercise the [Paid-Up Policy Option] [Contingent Benefit Upon Lapse] [Nonforfeiture Benefit]:

- No benefits will be paid in excess of your new policy limit.
- Benefits will be paid subject to your new policy limit and the daily/monthly benefit levels (and other coverage limits) in effect at the time you convert your policy to paid-up status.
- All optional benefit riders will automatically terminate as of the effective date of your paid-up status.
- No future inflation adjustments will be made.
- All other applicable policy provisions, conditions, and limitations will remain in effect.
- This change will be effective on your next policy anniversary date.]

[\*Calculated based on benefit amounts and on premiums paid to date as of [file extract date]. The actual [Contingent Benefit Upon Lapse/Nonforfeiture Benefit][Paid-Up Policy option] amount may be slightly higher as it will be calculated based on current benefits and premiums paid to date or 30 times the [daily] nursing home benefit at the time of lapse, whichever is greater; but in no event will the sum of benefits exceed the maximum benefits which would be payable if the policy had remained in premium paying status.]

### [Cancel your coverage]

If you choose to cancel your coverage, no claim for a previous or future loss will be eligible for consideration under a terminated policy. This change will be effective immediately.]

## YOUR OPTIONS

### Other Benefit Reduction Options

In addition to the options listed above, you may be eligible to reduce other benefits to help mitigate the premium increase. These benefits can be reduced upon your request at any time. For example, you may be eligible to:

- [Increase your elimination period]
- [Drop an optional rider]

Please note - in certain instances the ability to reduce your benefits may not be available due to available plan options. [Your policy includes a "Limited Pay" premium provision. Please consider the number of remaining payments on your policy before making the decision to reduce your benefits.] For more information on these options as well as the new premium amounts, please call John Hancock at [844-272-7842].]

## IMPORTANT DATES

- ▶ If you choose an option listed on the enclosed Coverage Change Request Form, you must complete, sign and return the form by [Month XX, YYYY].
- ▶ If you choose to make no changes to your coverage, no action is required. Your level of coverage will not change and your new increased premium will become effective on [Month XX, YYYY]

**1. Why do you need to raise premium rates — can you explain further?**

When pricing a long-term care insurance product, insurance companies use the best available information at that time to predict how many policyholders might ultimately use the benefit in the future. This involves making certain assumptions about a variety of factors including: particular medical conditions, the expected lifespan of policyholders, the length of time policyholders keep their policies, and the cost of receiving long-term care services. If the actual experience differs in an unfavorable way from the expected experience based on these assumptions, a premium rate increase may become necessary.

Our most recent comprehensive claims study demonstrates lower than expected claim terminations during the elimination period and an updated view of future mortality and morbidity improvements, partially offset by favorable incidence as policyholders are filing claims at a lower rate than expected. In short, we anticipate having to pay more claims in the future than previously expected. Based on that data, we have determined that there is a need to increase premiums on certain policy series.

**2. What is the policy provision that allows you to raise my premiums?**

The provision that allows for an increase in premiums can be found on the front page of your policy. Your policy indicates that, while your insurance company cannot change coverage or refuse to renew coverage for reasons other than nonpayment of premiums, the company is allowed to change or increase premiums so long as the increase applies to an entire class of policies. We are required to file premium increases on policy series, along with actuarial justification, with the department of insurance in the state where the policy was purchased, and may only implement the rate increase once we are permitted to do so.

**3. Have I been singled out for this rate increase because of my age or health?**

No, the increase applies to everyone in the same rating class who purchased the same long-term care insurance product in the same state as you. No individual has been singled out for an increase, nor is the increase due to a policyholder's advancing age or changing health. Also, your state has not been singled out, as all states are included in our rate increase process.

**4. If I no longer live in the state where I purchased my policy, does the increase still apply?**

Yes. All LTC insurance policies are regulated by the original state in which they were written at the time of the purchase of the policy. That means that the state where you were residing when you purchased your policy continues to be the applicable state, even if you are now residing elsewhere.

**5. Do I need to complete and return the enclosed Coverage Change Request Form?**

The enclosed Coverage Change Request Form need only be completed and returned to John Hancock should you decide you want to adjust your benefits or cancel your policy. Otherwise, no action is necessary on your part, as the premium rate increase will take place automatically on the policy anniversary date specified in your letter.

**6. Will there be additional premium increases in the future?**

Premium rates are not guaranteed and may be increased in accordance with the terms of your policy. We will continue to monitor the claims experience to determine whether future increases will be necessary.

**7. If I pay premiums through online banking or an automatic draft plan and my premium is changing, is there any action I need to take?**

If you have an automatic draft plan established through John Hancock, no action is necessary, we will adjust the drafted amount. If you pay your premiums through online banking, please update your payment information with the new premium amount prior to the rate increase effective date.

**COVERAGE CHANGE REQUEST FORM**  
**Individual LTC Insurance Policy for [First Name] [Last Name]**  
**Policy # [XXXXX]**  
**John Hancock Life Insurance Company (U.S.A.)**



If you choose to make no changes to your current coverage, no action is required and your new increased premium will be effective on **[Month XX, YYYY]**.

If you choose to change your coverage, you must select an option listed below, sign and return this Coverage Change Request Form by **[Month XX, YYYY]**.

*Before choosing any tax qualified long-term care policy option, we recommend that you review the option with a qualified tax professional or attorney to determine which option is best for you and to consider potential individual income tax consequences.*

**Step 1: Select an option (please choose only one option)**

For more details, please see your Options Worksheet. As a reminder, you may have alternative options available to help mitigate the premium increase. For more information, please call John Hancock at **[844-272-7842]**.

COVERAGE CHANGE OPTIONS		New Premium Effective [Month XX, YYYY]
<input type="checkbox"/>	<b>[Exercise the Shared Cost Option.</b> Your [daily] benefit and policy limit will be reduced by [X%] and [we] [your new Shared Cost percentage will be [XX%]. John Hancock] will pay [1-XX%] of any covered services, but we will not pay more than the new [daily/monthly] benefit amount.]	<b>[\$[XXX] [policy mode]</b>
<input type="checkbox"/>	<b>[Reduce your Benefit Period from [X-year] to [X-year].]</b>	<b>[\$[XXX][policy mode]</b>
<input type="checkbox"/>	<b>[Reduce your [Daily/Monthly] Benefit from \$[XXX] to \$[XXX].]</b>	<b>[\$[XXX][policy mode]</b>
<input type="checkbox"/>	<b>[Reduce your Benefit Period from [X-year] to [X-year] and [Daily/Monthly] Benefit from \$[XXX] to \$[XXX].]</b>	<b>[\$[XXX][policy mode]</b>
<input type="checkbox"/>	<b>[Exercise the [Paid-Up Policy Option] [Contingent Benefit Upon Lapse] [Nonforfeiture Benefit] available on your policy].</b> Your policy will be converted to a paid-up status with a modified policy limit of \$[XXXX].]	N/A
<input type="checkbox"/>	<b>[Cancel your coverage.</b> This change will be effective immediately.]	N/A

**Step 2: Review Agreement and Acknowledgement**

I understand that my benefits and premium for those benefits will change based upon the option(s) I select. I understand that premium rates are not guaranteed and may be increased again in the future if I am among the group of policyholders whose premiums are determined to be inadequate.

If I select an option(s) to change my coverage, I understand that, within 30 days of the date this change becomes effective, I may cancel the change in my coverage and return to my original coverage at the increased premium level.

I understand the policy change(s) I selected above. By signing below, I agree that any change(s) other than cancelling my policy, will be effective on my next policy anniversary provided this form is received by John Hancock by the election deadline indicated in this package.

Continued on next page



**Step 3: Sign and Date**

\_\_\_\_\_  
**Signature ([First Name] [Last Name])**

\_\_\_\_\_  
**Date**

**Step 4: Return this completed form using the enclosed postage-paid envelope by [Month XX, YYYY].**

**[Mail]**

John Hancock  
LTC Coverage Election  
P.O. Box 55978  
Boston, MA 02205-9723

**FAX**

John Hancock  
LTC Coverage Election  
877-606-7771

**EMAIL**

LTCforms@jhancock.com]

**John Hancock Financial Services**

Long Term Care  
200 Berkeley Street  
Boston, Massachusetts 02116

(617) 663-3585  
Sandhya\_Ramakrishnan@jhancock.com

**Sandhya Ramakrishnan, FSA, MAAA**  
**Actuary, LTC Inforce Management**



May 10, 2022

Bill Dismore

Re: John Hancock Life Insurance Company (U.S.A.)  
2019 Inforce Rate Increases - JH CCIII  
SERFF ID: MULF-133155435

Dear Mr. Dismore,

This letter is in response to your objection dated March 14, 2022 regarding the above filing. Your questions/concerns are included below in bold with our responses following.

- 1. The company states that there were no prior rate increases on page 1. In the first paragraph on page two, the company states that there four rate increases in the past. We are curious how a rate increase was approved before the issue date of 6/11/2011. Please explain this discrepancy and correct as necessary.**

We apologize for the confusion. There have not been any prior rate increases approved for form number ICC10-LTC-11. The summary on page two of the rate request summary document has been updated to reflect this as well.

- 2. The narrative does not summarize the key information used to develop the rates including the main drivers for the revised rates for this specific form. Please revise the narrative to comply.**

The narrative has been updated to include the text below:

*The main drivers used to develop the revised rates for the ICC10-LTC-11 policy series are a result of our 2019 experience study. This comprehensive study is generally conducted every three years and examines the usage trend for our insured population. The study results show lower than expected claim terminations during the elimination/waiting period, partially offset by favorable incidence as policyholders are filing claims at a lower rate than expected. In short, we anticipate having to pay more claims in the future than previously expected.*

Section 17 of the Actuarial Memorandum also details the adjustments performed to achieve the final requested rate increase.

- 3. Please explain why the historical data is not provided through 12/31/2021. The exhibits should be revised to show the historical data for the most recently completed year.**

Exhibit 1 has been updated to include historical data through 12/31/2021. Please see the attached file "VA CCIII loss ratio exhibit (2021).pdf". Please note that the differences in historical incurred claims from the 2018 Exhibit 1 are caused by the natural maturing of claims and insureds changing their claim status.

In general, future claim and future premium projections are expected to be lower when using updated data as compared to projections based on older data due to benefit reduction options elected by policyholders in lieu of proposed rate increases. When comparing cashflows for calendar year 2021, please note that the prior projections for post-Rate Stability product series included a margin for moderately adverse experience. This margin is not applicable to calendar years 2019, 2020, and 2021 when using year-end 2021 experience data, which lowers the lifetime loss ratio.



In addition, Incurred Claims in 2018 included an estimate for Incurred But Not Reported (IBNR) claims. To the extent that experience deviates from IBNR reserve assumptions, past incurred claims change.

Accounting for these differences in the experience and projections, the Lifetime Loss Ratios based on 2021 data remain generally in line with those based on the 2018 data.

The product series has a large proportion of policies with CPI-linked benefits; past and future benefits in our 2021 update reflects the impact of actual past CPI rates through 2021. The claims projections in the original filing reflect actual CPI rates through 2018. Actual CPI rates have been significantly lower than projected in recent years. For the three-year period between 2019 and 2021 the difference between actual and projected CPI rates results in claims which are approximately 2% lower than in the original projection, lowering the lifetime loss ratio.

The need for a rate increase and the level of rate increase is not dependent on changes in CPI levels; this is consistent with our original expected approach for CPI plans. In our rate increase filings, past original pricing and best estimate cash flows are adjusted to reflect the development of actual CPI rates to ensure that differences between actual and expected CPI rates do not impact proposed rate increases.

Note that the historical premiums in year 2021 have been adjusted with the current requested rate increase as the assumed effective date of this rate increase is 1/1/2021.

- 4. Please provide a thorough description of the past rate revision filings for the form ICC10-LTC-11. It appears that several past filings were made through the NAIC Compact. Please provide a summary of each filing by SERFF Tracking number.**

There are three sets of rates for the form ICC10-LTC-11. The table below describes each filing by SERFF tracking number. The current rate increase filing is for the original rates approved in 2011. A rate increase filing for the rates approved in 2012 is currently under Compact review. The rates approved in 2014 are still sufficient, and no rate increase filing is anticipated at this time.

<b>SERFF ID</b>	<b>Description</b>
MULF-126926684	Original filing of the form and rates were approved on 3/4/2011 by the Compact
MULF-130894492	The Compact Advisory report was issued 6/1/2017 supporting our rate increase request on the original rates approved in 2011.
MULF-131066194	The same rate increase filed with the Compact (MULF-130894492) was filed in VA on 6/21/2017, and withdrawn 4/5/2018.
MULF-133155435	This revised rate increase request on the 2011 rates was submitted on 3/1/2022
MULF-128151710	Revised new business rates were submitted to the interstate Compact on 3/14/2012, and approved 6/11/2012
MULF-132821167	A rate increase filing for the rates approved in 2012 was filed with the Compact on 4/29/2021 and is currently under Compact review.
MULF-128708719	Revised new business rates were submitted to the interstate Compact on 10/11/12, and approved 2/28/2013

- 5. Please provide Exhibits in Excel with working formulas so that the calculations may be followed.**

Please see the attached file "VA CCIII loss ratio exhibit (with formulas).xlsx".

- 6. Please provide in Excel format an exhibit showing the rate increase history and status of existing rate increase requests in each state, including the cumulative approved rate increase percentage and the in force annualized premium for each state as well as the nationwide total.**

Please see the file "2019 CCIII Rate Increase Filing Summary.xls".

7. For all projections requested in this question, the baseline should comply with the following:

- a. Any policies issued as limited-pay which are now in paid-up status should be removed, both from historical experience and future projections.
- b. Premiums should be at the Virginia rate level for both historical and projected future.
- c. Please use the appropriate maximum valuation interest rate for accumulation and discounting of this block.

Please see the attached file "VA CCIII loss ratio exhibit.pdf".

8. To assist the Virginia Bureau of Insurance in its review, for each of the subsets of the business corresponding to the combinations of Benefit Period, Elimination Period and Inflation Option, please provide in Excel format the following projections on a nationwide basis:

- a. current assumptions and current rates
- b. current assumptions with the proposed rate increase
- c. current assumptions with premiums restated as if the proposed rate increase had been in effect from inception.
- d. actual historical experience to the projection date and future projections based on the prior assumptions (to be used in the Prospective PV test).
- e. original assumptions and original premiums from inception

Projections a. - e. can be separate tabs or combined into separate columns on the same exhibit.

Please see the attached file "VA CCIII loss ratio exhibit (split by BP and inflation).xlsx" for the information requested in a. – c. and e.. The Low BP category includes BPs of 1, 2, 3, 4, and 5 years while the High BP category includes BPs of 6 and 10 years. The CPI inflation category includes both CPI and CPI 75 policies. Please see the response to Objection 11 for the data requested in d..

9. For each subset of business used in the requested projections, please provide the active life reserve balance as of the projection date on a nationwide basis.

Please see the table below for the active life reserves balance for each subset of business. The Low Benefit Period category includes benefit periods of 1, 2, 3, 4, and 5 years while the High Benefit Period category includes benefit periods of 6 and 10 years. The CPI inflation category includes both CPI and CPI 75 policies.

**Custom Care III Reserves (YE 2018)**

Product	Nationwide
Low Benefit Period, No Inflation	8,508,482
Low Benefit Period, Compound Inflation	4,323,506
Low Benefit Period, CPI Linked Inflation	73,059,727
High Benefit Period, No Inflation	1,587,433
High Benefit Period, Compound Inflation	1,315,935
High Benefit Period, CPI Linked Inflation	16,700,862

- 10. We did not find the rider forms listed under the "Affected Form Numbers" in the Rate/Rule Schedule tab nor a description of these forms in the actuarial memorandum. Please explain.**

The rate table reflects the new base premium rates. Rider premiums are calculated as a percentage of the premium for the base plan. Since the percentages do not change, rider numbers are not included in the actuarial memorandum or rate schedules.

- 11. Please provide all projections required to compute the "Prospective PV" and the "If Knew/Makeup Blend" allowable increases as currently under consideration by the NAIC.**

Please see the attached file "VA CCIII PPV Method Projections.xlsx" for all projections required for the Prospective PV method. Please see the attached file "VA CCIII Blended If-Knew Projections.xlsx" for all projections required for the If Knew/Make Up Blend method.

- 12. Please provide a comparison of the assumptions associated with the proposed rate increase to the assumptions associated with the most recently approved rate filing. For those assumptions that have changed, please provide explanations for the changes.**

A comparison of actual to expected experience using the original pricing assumptions is not available because original pricing assumptions are no longer used to analyze current experience. Instead, the A/E tables, which can be found in section 16 of the current actuarial memo, show A/E information before and after our latest experience study, which was completed in 2019. The expected in the before 2019 updates would be based on the 2016 assumption, and the expected in after 2019 updates would be equivalent to the assumptions in this filing (current assumption basis). The most current studies show significant unfavorable trends since our previous study. In general, claims continue to last longer than expected and lapses are lower than expected.

- 13. Please provide a summary of the selection factors utilized in calculating the mortality assumptions**

Please see the attached file "CCIII Selection Factors.xlsx".

- 14. Please clarify whether adjustments have been made to the mortality tables to account for future mortality improvement. If so, please state the assumed level of future mortality improvement and provide support for the assumption.**

No adjustments have been made to the mortality tables to account for future mortality improvement.

- 15. Please clarify whether adjustments have been made to the morbidity assumptions to account for future morbidity improvement. If so, please state the assumed level of future morbidity improvement and provide support for the assumption.**

No adjustments have been made to the morbidity assumptions to account for future morbidity improvement.

- 16. Please identify the portion of the proposed rate increase that is attributed to each of the following components:**

- a. Changes in the voluntary lapse assumptions**
- b. Changes in the mortality assumptions**
- c. Changes in the expected claim cost assumptions**
- d. Changes in any other assumptions (e.g., interest rates)**

Please see the below chart for a breakdown of the drivers of the rate increase:

Rate Increase Attribution	
Changes in the voluntary lapse assumptions	1.6%
Changes in the mortality assumptions	2.5%
Changes in the morbidity assumptions	17.1%
Changes in any other assumptions (e.g., interest rates)	0.0%
<b>Total Rate Increase</b>	<b>21.3%</b>

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Please note that our rate increases filed based on the Lifetime Loss Ratio method do not reflect changes in interest rates.

**17. Please provide the full credibility standard used to determine the credibility of the experience of each policy series associated with this filing. Additionally, please provide the number of claims associated with each policy series**

In general, we have fairly credible data over our whole book of business and feel using our own data is best in predicting the future. Credibility determinations for LTC products are difficult due to a lack of homogeneity in the data and a lack of a standard industry table for reference. While we pay attention to the formal credibility of the data, using 1082 claims for full credibility where the data is homogeneous, we more typically revise assumptions using fitting models which then are validated using confidence intervals across a wide number of attributes.

We do not use credibility weighting in developing new assumptions. Instead, trends are analyzed using from inception data with incurral year results closely studied. The fit of various attributes, such as marital status at issue, are tested against the actual experience to identify areas that require revisions. Assumptions are then revised to determine the best fit.

Please refer to the file "Custom Care III Claim Counts.pdf" for the number of incurred claims on the Custom Care III block of business based on our most recent data. Please note that the claims for 2017 and 2018 include an estimate for incurred but not reported claims.

**18. Please provide the current average attained policyholder age for the Virginia policyholders.**

The average attained policyholder age for Virginia CCIII policyholders as of 12/31/2021 is 68.

**19. For each subset of business used in the requested projections, please provide the # of policyholders for each subset of business.**

Please see the table below for the number of nationwide policyholders for each subset of business as of 12/31/2018. The Low BP category includes BPs of 1, 2, 3, 4, and 5 years while the High BP category includes BPs of 6 and 10 years. The CPI inflation category includes both CPI and CPI 75 policies.

BP	Inflation	Policy Count
Low	GPO	1,177
Low	Compound	241
Low	CPI	7,699
High	GPO	190
High	Compound	65
High	CPI	1,553
	Total	10,925

**20. Please explain if any adjustments to mortality or morbidity factors were made for COVID-19. Please fully describe these adjustments.**

In 2020 and 2021, we saw elevated claimant mortality and some changes to usage of LTC benefits. While these impacts are generally favorable on the stand-alone calendar years, we believe it is premature to draw any conclusions, either favorable or unfavorable, on what the ultimate impact of COVID-19 will be on the LTC blocks, as they are potential considerations in both directions. We believe our current assumptions provide the best basis for projecting the future. We will continue to monitor impacts throughout 2022 and into the future, as necessary, and continue to assess whether any adjustments should be made to the projections.

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**21. Please advise if there are any partnership policies issued to any of the remaining Virginia policyholders.**

There are currently 271 active partnership policies in Virginia for the Custom Care III policy series.

**22. Please confirm that the assumptions being used in this filing are not any more conservative than used in asset adequacy testing.**

Our nationwide assumptions for morbidity, voluntary termination rates, and mortality are the same as our best estimate assumptions used for AG51 and GPV projections, with two exceptions. First, a shock lapse rate is applied in rate increase filings (which lowers the rate increase requests); however, the benefit of shock lapse is not reflected within our AG51 and GPV projections (resulting in higher reserves). Second, to be consistent with the original pricing projections filed through the Compact, we have removed morbidity and mortality improvements.

**23. Health Rate Review Requirements Checklist – Complete or Complete Correct version**

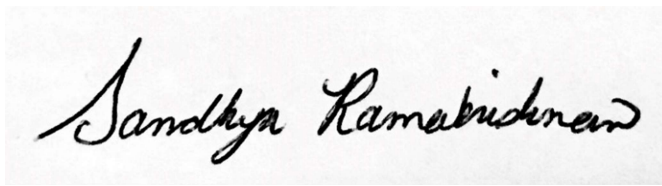
**Please review, complete, sign and date the required “Health Rate Review Requirements Checklist (New and Revised Rates).” It can be obtained through SERFF at the following link:**

**<https://www.scc.virginia.gov/getattachment/fd3c447d-2431-4bb8-b905-fc42729ad287/lhratereview.pdf>**

We don't believe this applies to LTC, and would like to confirm whether it is appropriate before completing.

Please do not hesitate to contact me if you have any questions on the above.

Sincerely,

A handwritten signature in black ink that reads "Sandhya Ramakrishnan". The signature is written in a cursive, flowing style.

Sandhya Ramakrishnan, FSA, MAAA  
Actuary, Long Term Care Inforce Management  
John Hancock Life Insurance Company

**John Hancock Custom Care III  
Actual Claim Counts (1988 - 2018)**

Year	Claim Count
1988	0
1989	0
1990	0
1991	0
1992	0
1993	0
1994	0
1995	0
1996	0
1997	0
1998	0
1999	0
2000	0
2001	0
2002	0
2003	0
2004	0
2005	0
2006	0
2007	0
2008	0
2009	0
2010	0
2011	1
2012	0
2013	1
2014	5
2015	11
2016	11
2017	18
2018	21

**Exhibit 1: Nationwide Loss Ratio Exhibit  
Custom Care III/Core Care (LTC-11)**

Original Assumptions				Historical & Projected Experience (Year 2021 as part of Historical Experience)						
Calendar Year				Before Proposed Increase			With Proposed Rate Increase			
	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	
Historical Experience	2001	-	-	0%	-	2,176	0%	-	2,176	0%
	2002	-	-	0%	-	2,176	0%	-	2,176	0%
	2003	-	-	0%	-	2,176	0%	-	2,176	0%
	2004	-	-	0%	-	2,176	0%	-	2,176	0%
	2005	-	-	0%	-	2,176	0%	-	2,176	0%
	2006	-	-	0%	-	2,176	0%	-	2,176	0%
	2007	-	-	0%	-	9,974	0%	-	9,974	0%
	2008	-	-	0%	-	13,161	0%	-	13,161	0%
	2009	-	-	0%	-	14,935	0%	-	14,935	0%
	2010	-	-	0%	-	25,297	0%	-	25,297	0%
	2011	35,823	7,488,632	0%	119,960	7,749,237	2%	119,960	7,749,237	2%
	2012	291,111	25,029,174	1%	-	25,198,913	0%	-	25,198,913	0%
	2013	602,960	28,707,922	2%	9,812	28,477,124	0%	9,812	28,477,124	0%
	2014	939,620	29,477,615	3%	323,259	29,195,486	1%	323,259	29,195,486	1%
	2015	1,322,607	29,054,456	5%	574,800	28,750,983	2%	574,800	28,750,983	2%
	2016	1,742,641	28,558,885	6%	1,300,893	28,151,989	5%	1,300,893	28,151,989	5%
	2017	2,140,636	28,059,456	8%	2,453,986	27,773,005	9%	2,453,986	27,773,005	9%
	2018	2,681,177	27,535,871	10%	2,608,772	27,159,376	10%	2,608,772	27,159,376	10%
	2019	3,368,135	26,978,206	12%	3,994,275	26,295,725	15%	3,994,275	26,295,725	15%
	2020	4,119,784	26,378,935	16%	3,222,019	25,762,439	13%	3,222,019	25,762,439	13%
	2021	4,926,735	25,734,891	19%	3,486,986	25,285,119	14%	3,476,525	29,950,544	12%
Projected Future Experience	2022	5,692,128	25,043,943	23%	6,573,946	25,051,926	26%	6,534,502	30,184,524	22%
	2023	6,644,278	24,303,758	27%	7,647,284	24,472,849	31%	7,601,400	29,482,411	26%
	2024	7,814,511	23,512,713	33%	8,847,412	23,862,286	37%	8,794,327	28,742,339	31%
	2025	9,081,994	22,676,077	40%	10,365,288	23,268,337	45%	10,303,096	28,022,119	37%
	2026	10,390,875	21,801,086	48%	12,086,813	22,611,910	53%	12,014,293	27,226,715	44%
	2027	11,635,968	20,893,954	56%	13,989,658	21,863,297	64%	13,905,720	26,320,712	53%
	2028	13,197,050	19,958,000	66%	15,965,630	21,038,780	76%	15,869,836	25,323,790	63%
	2029	15,073,430	18,986,840	79%	17,940,272	20,163,756	89%	17,832,631	24,266,485	73%
	2030	16,938,486	17,979,650	94%	20,014,755	19,243,261	104%	19,894,666	23,154,849	86%
	2031	18,514,876	16,943,848	109%	22,302,428	18,295,075	122%	22,168,613	22,009,743	101%
	2032	19,730,006	15,887,193	124%	24,627,177	17,377,838	142%	24,479,414	20,903,534	117%
	2033	21,209,070	14,811,969	143%	26,877,710	16,413,448	164%	26,716,444	19,741,265	135%
	2034	22,895,590	13,721,158	167%	28,943,836	15,394,128	188%	28,770,173	18,513,288	155%
	2035	24,390,635	12,624,847	193%	30,378,535	14,311,008	212%	30,196,264	17,208,238	175%
	2036	25,509,580	11,537,338	221%	31,812,174	13,217,183	241%	31,621,301	15,890,935	199%
	2037	25,407,662	10,476,021	243%	33,436,293	12,125,424	276%	33,235,675	14,576,780	228%
	2038	25,592,675	9,457,430	271%	34,890,398	11,040,558	316%	34,681,056	13,271,687	261%
	2039	26,167,390	8,487,518	308%	35,822,055	9,975,376	359%	35,607,123	11,990,561	297%
	2040	26,535,451	7,573,695	350%	35,165,666	8,856,126	397%	34,954,672	10,644,058	328%
	2041	26,512,177	6,719,686	395%	34,619,687	7,757,282	446%	34,411,969	9,323,315	369%
	2042	25,049,202	5,925,785	423%	34,114,205	6,828,567	500%	33,909,519	8,207,075	413%
	2043	23,979,683	5,194,852	462%	33,620,985	5,979,977	562%	33,419,259	7,187,043	465%
	2044	23,373,199	4,525,429	516%	32,733,668	5,201,724	629%	32,537,266	6,251,856	520%
	2045	22,594,142	3,919,147	577%	30,376,263	4,399,485	690%	30,194,005	5,288,130	571%
	2046	21,596,068	3,374,865	640%	27,900,168	3,720,920	750%	27,732,767	4,472,491	620%
	2047	19,545,328	2,888,123	677%	25,829,874	3,149,186	820%	25,674,895	3,785,099	678%
	2048	17,794,669	2,457,189	724%	24,187,139	2,676,144	904%	24,042,016	3,216,923	747%
	2049	16,475,684	2,076,853	793%	22,589,549	2,260,854	999%	22,454,012	2,718,097	826%
	2050	15,122,477	1,745,404	866%	20,270,219	1,815,577	1116%	20,148,598	2,183,369	923%
	2051	13,729,266	1,459,030	941%	17,994,568	1,474,746	1220%	17,886,601	1,773,712	1008%
	2052	11,878,444	1,212,699	980%	16,016,488	1,205,249	1329%	15,920,389	1,449,751	1098%
	2053	10,344,086	1,003,114	1031%	14,281,515	996,920	1433%	14,195,826	1,199,364	1184%
Note: Please refer to the Actuarial Memorandum, section "Ensuring No Cross-Subsidization Between States", for adjustments made to experience exhibits										
Values as of 12/31/2018 (discounted at maximum statutory valuation rates)										
Past :	10,729,912	235,488,379	4.6%	7,912,390	234,061,135	3.4%	7,912,390	234,061,135	3.4%	
Future :	303,626,365	304,806,093	99.6%	381,136,967	317,582,628	120.0%	378,901,369	371,597,178	102.0%	
Lifetime :	314,356,277	540,294,472	58.2%	389,049,357	551,643,763	70.5%	386,813,759	605,658,314	63.9%	
Lifetime Net of Hedges :	314,356,277	540,294,472	58.2%	366,817,948	551,643,763	66.5%	364,582,350	605,658,314	60.2%	

**Total Incurred Claims exceed Total Initial Premiums x max(58%, Original Pricing Loss Ratio) + Increased Premiums x max(85%, Original Pricing Loss Ratio)**

Impact of Improved Hedge Terms =	(22,231,409)		Accum Value of Past Initial Prm x 58.2% =	136,182,380
Accum. Value of Past Incurred Claims =	7,912,390		Present Value of Future Initial Prm x 58.2% =	183,851,458
Present Value of Future Incurred Claims =	378,901,369		Accum Value of Prior Increases x 85.0% =	0
Total =	386,813,759	>=	Present Value of Future Increases x 85.0% =	47,264,786
			Total =	367,298,624

**Total Incurred Claims exceed Total Initial Premiums x max(60%, Original Pricing Loss Ratio) + Increased Premiums x max(80%, Original Pricing Loss Ratio)**

Impact of Improved Hedge Terms =	(22,231,409)		Accum Value of Past Initial Prm x 60.0% =	140,436,681
Accum. Value of Past Incurred Claims =	7,912,390		Present Value of Future Initial Prm x 60.0% =	189,594,929
Present Value of Future Incurred Claims =	378,901,369		Accum Value of Prior Increases x 80.0% =	0
Total =	386,813,759	>=	Present Value of Future Increases x 80.0% =	44,484,504
			Total =	374,516,114

Exhibit 1: Nationwide Loss Ratio Exhibit  
Custom Care III/Core Care (ICC-LTC-11)

Original Assumptions				Historical & Projected Experience					
Calendar Year				Before Proposed Increase			With Proposed Rate Increase		
	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio
Historical Experience	2001	-	-	-	2,176	0%	-	2,176	0%
	2002	-	-	-	2,176	0%	-	2,176	0%
	2003	-	-	-	2,176	0%	-	2,176	0%
	2004	-	-	-	2,176	0%	-	2,176	0%
	2005	-	-	-	2,176	0%	-	2,176	0%
	2006	-	-	-	2,176	0%	-	2,176	0%
	2007	-	-	-	9,945	0%	-	9,945	0%
	2008	-	-	-	13,161	0%	-	13,161	0%
	2009	-	-	-	14,851	0%	-	14,851	0%
	2010	-	-	-	25,165	0%	-	25,165	0%
	2011	35,839	7,488,632	119,960	7,516,698	2%	119,960	7,516,698	2%
	2012	291,256	25,029,174	-	24,824,218	0%	-	24,824,218	0%
	2013	603,442	28,707,922	9,812	28,407,601	0%	9,812	28,407,601	0%
	2014	940,956	29,477,615	318,619	29,187,692	1%	318,619	29,187,692	1%
	2015	1,325,966	29,054,456	600,410	28,763,111	2%	600,410	28,763,111	2%
	2016	1,750,116	28,558,885	1,414,660	28,174,997	5%	1,414,660	28,174,997	5%
	2017	2,155,390	28,059,456	2,515,173	27,756,234	9%	2,515,173	27,756,234	9%
	2018	2,709,246	27,535,871	2,172,809	27,534,504	8%	2,172,809	27,534,504	8%
Projected Future Experience	2019	3,415,341	26,978,206	3,809,650	26,373,769	14%	3,809,650	26,373,769	14%
	2020	4,184,169	26,378,935	4,569,293	25,847,290	18%	4,569,293	25,847,290	18%
	2021	4,999,369	25,734,891	5,550,145	25,367,468	22%	5,533,495	30,052,166	18%
	2022	5,777,627	25,043,943	6,636,149	24,828,161	27%	6,596,332	29,915,547	22%
	2023	6,746,660	24,303,758	7,717,615	24,251,447	32%	7,671,309	29,216,387	26%
	2024	7,936,468	23,512,713	8,927,541	23,643,424	38%	8,873,976	28,479,490	31%
	2025	9,224,974	22,676,077	10,454,492	23,051,463	45%	10,391,765	27,761,762	37%
	2026	10,556,068	21,801,086	12,185,455	22,399,053	54%	12,112,342	26,971,265	45%
	2027	11,825,632	20,893,954	14,102,806	21,654,961	65%	14,018,189	26,070,784	54%
	2028	13,416,277	19,958,000	16,095,387	20,835,815	77%	15,998,815	25,080,390	64%
	2029	15,326,455	18,986,840	18,086,499	19,966,888	91%	17,977,980	24,030,471	75%
	2030	17,224,825	17,979,650	20,175,498	19,050,928	106%	20,054,445	22,924,180	87%
	2031	18,829,450	16,943,848	22,473,738	18,112,936	124%	22,338,895	21,791,570	103%
	2032	20,067,253	15,887,193	24,809,066	17,203,937	144%	24,660,212	20,695,251	119%
	2033	21,574,619	14,811,969	27,074,099	16,248,674	167%	26,911,655	19,543,956	138%
	2034	23,292,570	13,721,158	29,154,398	15,239,715	191%	28,979,472	18,328,466	158%
	2035	24,815,336	12,624,847	30,592,858	14,166,121	216%	30,409,301	17,034,841	179%
	2036	25,955,110	11,537,338	32,033,878	13,083,454	245%	31,841,675	15,731,067	202%
	2037	25,852,383	10,476,021	33,667,004	12,003,594	280%	33,465,002	14,431,260	232%
	2038	26,043,759	9,457,430	35,134,382	10,935,264	321%	34,923,576	13,145,979	266%
	2039	26,630,338	8,487,518	36,081,010	9,883,882	365%	35,864,524	11,881,400	302%
	2040	27,006,008	7,573,695	35,434,845	8,779,167	404%	35,222,236	10,552,367	334%
	2041	26,982,709	6,719,686	34,619,687	7,757,282	446%	34,411,969	9,323,350	369%
	2042	25,492,027	5,925,785	34,114,205	6,828,567	500%	33,909,519	8,207,106	413%
	2043	24,404,873	5,194,852	33,620,985	5,979,977	562%	33,419,259	7,187,069	465%
	2044	23,787,996	4,525,429	32,733,668	5,201,724	629%	32,537,266	6,251,879	520%
	2045	22,995,268	3,919,147	30,376,263	4,399,485	690%	30,194,005	5,288,150	571%
	2046	21,979,162	3,374,865	27,900,168	3,720,920	750%	27,732,767	4,472,507	620%
	2047	19,890,310	2,888,123	25,829,874	3,149,186	820%	25,674,895	3,785,113	678%
	2048	18,109,162	2,457,189	24,187,139	2,676,144	904%	24,042,016	3,216,934	747%
	2049	16,766,806	2,076,853	22,589,549	2,260,854	999%	22,454,012	2,718,107	826%
	2050	15,389,554	1,745,404	20,270,219	1,815,577	1116%	20,148,598	2,183,377	923%
	2051	13,971,344	1,459,030	17,994,568	1,474,746	1220%	17,886,601	1,773,718	1008%
	2052	12,086,687	1,212,699	16,016,488	1,205,249	1329%	15,920,389	1,449,756	1098%
	2053	10,525,498	1,003,114	14,281,515	996,920	1433%	14,195,826	1,199,369	1184%
Note: Please refer to the Actuarial Memorandum, section "Ensuring No Cross-Subsidization Between States", for adjustments made to experience exhibits									
<b>Values as of 12/31/2018 (discounted at maximum statutory valuation rates)</b>									
Past :	10,788,657	235,488,379	4.6%	7,678,822	233,576,503	3.3%	7,678,822	233,576,503	3.3%
Future :	308,813,684	304,806,093	101.3%	387,624,315	315,585,633	122.8%	385,361,967	369,178,137	104.4%
Lifetime :	319,602,341	540,294,472	59.2%	395,303,136	549,162,135	72.0%	393,040,789	602,754,639	65.2%
Lifetime Net of Hedges :	319,602,341	540,294,472	59.2%	373,071,728	549,162,135	67.9%	370,809,380	602,754,639	61.5%

Total Incurred Claims exceed Total Initial Premiums x max(58%, Original Pricing Loss Ratio) + Increased Premiums x max(85%, Original Pricing Loss Ratio)

Impact of Improved Hedge Terms =	(22,231,409)	Accum Value of Past Initial Prm x 59.2% =	138,168,352
Accum. Value of Past Incurred Claims =	7,678,822	Present Value of Future Initial Prm x 59.2% =	185,746,001
Present Value of Future Incurred Claims =	385,361,967	Accum Value of Prior Increases x 85.0% =	-
Total =	370,809,380	Present Value of Future Increases x 85.0% =	46,895,027
		Total =	370,809,380



**John Hancock Financial Services**

Long Term Care  
200 Berkeley Street  
Boston, Massachusetts 02116

(617) 572-1284  
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**Katherine Gillis, FSA, MAAA**  
Actuary, LTC Inforce Management



June 3, 2022

Bill Dismore

Re: John Hancock Life Insurance Company (U.S.A.)  
2019 Inforce Rate Increases - JH CCIII  
SERFF ID: MULF-133155435

Dear Mr. Dismore,

This letter is in response to your objection dated May 31, 2022, regarding the above filing. Your questions/concerns are included below in bold with our responses following.

**Please explain why the company has not complied with 14VAC5-200-125 A. regarding Annual Rate Reports. We were unable to locate a for annual rate report filed in Virginia for form ICC10-LTC-11 (Custom Care III).**

The annual rate report for policy form ICC10-LTC-11 (Custom Care III) was submitted on 9/30/21 as part of SERFF filing number MULF-132865269. The report was updated per the state's request to include data covering yearend 2020 on 1/26/22. The final disposition date was 2/28/22.

The certification and rate report have been attached for ease of reference. Please see the attached files "*Certification\_CCIII.pdf*" and "*VA CCIII filing package (for rate certification).pdf*".

Please do not hesitate to contact me if you have any questions on the above.

Sincerely,

A handwritten signature in dark ink that reads "Katherine A. Gillis". The signature is fluid and cursive, with a horizontal line drawn underneath it.

Katherine A Gillis, FSA, MAAA  
Actuary, Long Term Care Inforce Management  
John Hancock Life Insurance Company

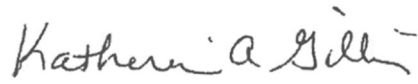
**Annual Rate Report for Long-Term Care Insurance Policies  
Issued On or After October 1, 2003 that are No Longer Marketed  
Reporting Period 1/1/2020 – 12/31/2020**

Company Name John Hancock Life insurance Company (U.S.A.)  
Company NAIC Number 65838  
Form Number(s) ICC10-LTC-11  
Issue Date(s) 2010 - 2014  
SERFF Filing Number MULF-132865269  
Prior SERFF Filing Number(s) n/a

I, Katherine A. Gillis, am a member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion and am familiar with the requirements for filing and reviewing long-term care insurance premiums.

In my opinion, the premium rate schedules for Custom Care III (ICC10-LTC-11) are not sufficient to cover anticipated costs under current best estimate assumptions and the premium rate schedules may not be reasonably expected to be sustainable over the life of the policies with no future premium increases anticipated. We completed an experience study in late 2019 which indicated that our claims experience has deteriorated since our prior study in 2016. A plan of action will be submitted to the commission within 60 days of this certification. This plan will summarize our intent to submit a rate increase filing based on the 2019 experience study. Please note that Custom Care III (2012) was originally filed with the Interstate Compact and was therefore subject to the Interstate Compact Annual Rate Certification.

In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of the actuarial calculations as I considered necessary. Once the review of the impact of the 2019 experience study on this policy series has been completed, the details of my review will be included in an actuarial memorandum that provides (i) the historical experience and the expected future and lifetime loss ratios based on the revised best-estimate assumptions, and (ii) a detailed description and actuarial support for each assumption used in the projections.



Katherine A Gillis, FSA, MAAA  
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200 Berkeley Street, Boston, MA 02116  
(617) 572-1284  
October 1, 2021

LTCINLM

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**John Hancock Life Insurance Company (U.S.A.)**  
**Actuarial Memorandum for Inforce Rate Increase – Custom Care III**  
**January 26, 2022**

<u>Product Name</u>	<u>Form Number</u>	<u>Issue Date Range</u>
Custom Care III	ICC10-LTC-11	Jun 2011 - Feb 2013

**These policy form rates were originally priced with a margin for moderately adverse experience in accordance with the NAIC model rate stability regulations.**

### **1. Scope & Purpose**

This memorandum consists of materials which support the annual rate certification for the above captioned policy series forms and their associated riders. The purpose of this memorandum is to demonstrate that the requirements of this State in regards to the rate certification have been met. This document is not intended to be used for any other purpose.

### **2. Benefit Description(s)**

A brief policy description for each of the policy forms:

#### ICC10-LTC-11

Individually underwritten long-term care policies that provide comprehensive long-term care coverage for care received in a nursing home or assisted care living facility, home health care, hospice care, respite care, or attendance at an Adult Day Care Center providing Adult Day Care.

Provides reimbursement of covered long-term care expenses incurred after an elected elimination period is met, up to the maximum daily/monthly amount. The benefit eligibility is determined based on the insured's cognitive impairment or their requiring physical assistance to perform two out of six activities of daily living (ADLs) of bathing, dressing, eating, toileting, transferring and maintaining continence.

Premiums are waived after the insured has met the elimination period and is receiving benefits and will continue to be waived until the insured stops receiving such benefits.

### **3. Renewability**

All policy forms are guaranteed renewable.

### **4. Applicability**

This rate certification is applicable to in force policies only, as these policy forms are no longer being sold in the market.

### **5. Actuarial Assumptions**

Our nationwide assumptions for morbidity, voluntary termination rates, and mortality are the same as our best estimate assumptions used for AG51 and GPV projections, with one exception. A shock lapse rate is applied in rate increase filings as described below, but the benefit of shock lapse is not reflected within our AG51 and GPV projections. Also, to be consistent with the original pricing projections we have removed morbidity and mortality improvements.

**John Hancock Life Insurance Company (U.S.A.)**  
**Actuarial Memorandum for Inforce Rate Increase – Custom Care III**  
**January 26, 2022**

For both mortality and morbidity, adjustments were made in the experience analysis to normalize for differences in underwriting by setting different expectations by issue year/product series which are proxies for underwriting era.

**Morbidity**

The morbidity assumptions are derived from our own experience, following our most recent comprehensive claim study completed in 2019. The study analyzed all major components of morbidity including incidence, claim terminations due to recovery or death, and benefit utilization across many attributes, focusing on the 5-year period of 2013-2017. The study has been peer reviewed both internally as well as by an Independent third party.

Our claims projections include no future morbidity improvement and a 10.0% margin for moderately adverse experience consistent with the margin originally anticipated in our original pricing loss ratio.

*Methodology Change - Representation of Morbidity*

In prior filings, our morbidity assumption was presented as expected claim costs for a sample policy. Going forward morbidity assumptions will be represented more granularly by incidence, claim termination, and utilization rate assumptions.

To better illustrate our most recent assumption changes, the prior assumptions are presented below their respective current assumptions. Note that a claim is defined as an approved claim, whether or not any dollar amounts have been paid.

*Incidence*

Incidence rates are the likelihood a policyholder will go on claim during a given duration. Incidence rates vary by a number of parameters, including issue age, attained age, issue year, policy duration, gender, marital status, risk class, benefit period, and product.

Below are currently expected sample incidence rates before future morbidity improvements for an ICC10-LTC11 policy with the following attributes: Standard risk class, Female, Single, 90 day Elimination Period, Policy Issued 2011 (in force 8 policy years as of 2019).

<b>Policy Duration</b>	<b>5 Year Benefit Period</b>			<b>Lifetime Benefit Period</b>		
	<b>Issue Age</b>			<b>Issue Age</b>		
	<b>55</b>	<b>65</b>	<b>75</b>	<b>55</b>	<b>65</b>	<b>75</b>
9	0.23%	1.13%	5.76%	0.27%	1.32%	6.71%
14	0.52%	2.80%	11.60%	0.61%	3.26%	13.43%
19	1.20%	5.78%	18.36%	1.40%	6.73%	21.12%
24	2.74%	10.41%	22.20%	3.19%	12.07%	25.43%

Below are expected incidence rates from the prior assumptions before future morbidity improvements for an ICC10-LTC11 policy with the following attributes: Standard risk class, Female, Single, 90 day EP, Policy Issued 2011:

**John Hancock Life Insurance Company (U.S.A.)**  
**Actuarial Memorandum for Inforce Rate Increase – Custom Care III**  
**January 26, 2022**

Policy Duration	5 Year Benefit Period			Lifetime Benefit Period		
	Issue Age			Issue Age		
	55	65	75	55	65	75
9	0.22%	1.10%	5.21%	0.26%	1.28%	6.07%
14	0.55%	2.66%	10.62%	0.64%	3.10%	12.31%
19	1.20%	5.91%	17.29%	1.40%	6.88%	19.91%
24	2.62%	10.52%	19.22%	3.06%	12.20%	22.10%

Comparison (Current/Prior)

Policy Duration	5 Year Benefit Period			Lifetime Benefit Period		
	Issue Age			Issue Age		
	55	65	75	55	65	75
9	105%	103%	111%	105%	103%	111%
14	95%	105%	109%	95%	105%	109%
19	100%	98%	106%	100%	98%	106%
24	104%	99%	116%	104%	99%	115%

*Claim Terminations*

Claim termination rates are the likelihood a policyholder will either die while on claim or recover and re-enter the active population. Termination rates vary by a number of parameters, including incurral age, duration on claim, gender, marital status, benefit period, and type of coverage.

Below are currently expected sample termination rates for an ICC10-LTC11 policy with the following attributes: Standard risk class, Female, Issue Age 55, Single, 90 day Elimination Period.

Months on Claim	5 Year Benefit Period			Lifetime Benefit Period		
	Attained Age at Claim			Attained Age at Claim		
	75	85	95	75	85	95
1	7.17%	5.92%	6.26%	6.50%	5.36%	5.68%
3	6.21%	5.12%	5.42%	5.63%	4.64%	4.92%
6	3.50%	3.07%	2.93%	2.99%	2.62%	2.50%
12	1.82%	1.73%	2.07%	1.55%	1.47%	1.77%
24	1.67%	1.87%	2.09%	1.43%	1.59%	1.79%
36	1.51%	1.98%	2.48%	1.29%	1.69%	2.11%
60	1.94%	2.45%	3.00%	1.65%	2.09%	2.55%
90	1.90%	3.03%	3.69%	1.62%	2.58%	3.14%
120	1.90%	3.03%	3.69%	1.62%	2.58%	3.14%

Below are the pre-basis change expected termination rates for an ICC10-LTC11 policy with the following attributes: Standard risk class, Female, Single, 90 day EP, Issue Age 55.

**John Hancock Life Insurance Company (U.S.A.)**  
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Months on Claim	5 Year Benefit Period			Lifetime Benefit Period		
	Attained Age at Claim			Attained Age at Claim		
	75	85	95	75	85	95
1	9.75%	7.98%	9.37%	7.83%	6.41%	7.53%
3	8.44%	6.91%	8.12%	6.78%	5.55%	6.52%
6	3.22%	2.76%	2.76%	2.95%	2.53%	2.53%
12	1.66%	1.55%	1.95%	1.53%	1.42%	1.79%
24	1.53%	1.67%	1.97%	1.40%	1.54%	1.81%
36	1.38%	1.78%	2.33%	1.26%	1.63%	2.14%
60	1.76%	2.19%	2.82%	1.61%	2.01%	2.58%
90	1.73%	2.71%	3.47%	1.58%	2.49%	3.18%
120	1.73%	2.71%	3.47%	1.58%	2.49%	3.18%

Comparison (Current/Prior)

Months on Claim	5 Year Benefit Period			Lifetime Benefit Period		
	Attained Age at Claim			Attained Age at Claim		
	75	85	95	75	85	95
1	74%	74%	67%	83%	84%	75%
3	74%	74%	67%	83%	84%	75%
6	109%	112%	106%	101%	104%	99%
12	109%	112%	106%	101%	104%	99%
24	109%	112%	106%	102%	104%	99%
36	110%	112%	106%	102%	104%	99%
60	110%	112%	106%	102%	104%	99%
90	110%	112%	106%	102%	104%	99%
120	110%	112%	106%	102%	104%	99%

*Utilization*

Utilization rates are the estimated percentage of the maximum daily benefit that a policyholder is expected to use. Benefit utilization rates vary by incurral year, duration from issue, inflation type and coverage type, policy form group, incurral age, gender, benefit period, issue age, and time on claim. Utilization does not vary by maximum daily benefit, however because there is a tendency toward a higher maximum daily benefit at lower issue ages, lower expected utilization is assumed for issue ages below age 60.

The future Cost of Care growth rate reflected in the utilization assumption is 4.5%.

Below are currently expected utilization rates for an ICC10-LTC11 policy with the following attributes: Standard risk class, Female, Issue Age 60, Single, 90 day Elimination Period, 3<sup>rd</sup> year of being on claim.

**John Hancock Life Insurance Company (U.S.A.)**  
**Actuarial Memorandum for Inforce Rate Increase – Custom Care III**  
**January 26, 2022**

	5 Year Benefit Period				Lifetime Benefit Period			
Policy Year of Incurral	Inflation				Inflation			
	GPO	5% Simple	5% Compound	CPI	GPO	5% Simple	5% Compound	CPI
9	73.31%	69.03%	60.81%	63.76%	75.63%	71.22%	62.74%	65.78%
14	72.78%	70.28%	59.95%	63.57%	75.08%	72.51%	61.85%	65.58%
19	72.30%	72.00%	59.18%	63.33%	74.58%	74.28%	61.05%	65.33%
24	71.80%	73.82%	58.38%	63.24%	74.07%	76.15%	60.23%	65.24%

Below are the expected utilization rates from the prior assumptions for an ICC10-LTC11 policy with the following attributes: Standard risk class, Female, Single, 100 day EP, Issue Age 60, 3<sup>rd</sup> year of being on claim.

	5 Year Benefit Period				Lifetime Benefit Period			
Policy Year of Incurral	Inflation				Inflation			
	GPO	5% Simple	5% Compound	CPI	GPO	5% Simple	5% Compound	CPI
9	76.87%	69.70%	61.88%	61.51%	78.51%	71.19%	63.21%	62.82%
14	78.70%	70.90%	61.17%	61.92%	80.39%	72.42%	62.48%	63.24%
19	79.75%	72.44%	60.44%	61.90%	81.46%	73.99%	61.73%	63.23%
24	80.30%	74.05%	59.69%	61.89%	82.02%	75.64%	60.97%	63.22%

Comparison (Current/Prior)

	5 Year Benefit Period				Lifetime Benefit Period			
Policy Year of Incurral	Inflation				Inflation			
	GPO	5% Simple	5% Compound	CPI	GPO	5% Simple	5% Compound	CPI
9	95%	99%	98%	103%	96%	100%	99%	105%
14	92%	99%	98%	102%	93%	100%	99%	104%
19	91%	99%	98%	102%	92%	100%	99%	103%
24	89%	100%	98%	102%	90%	101%	99%	103%

Voluntary Lapses

The voluntary lapse rates are based on our own experience between 2013 and 2017. Lapse rates vary by issue age, duration, and inflation option.

**John Hancock Life Insurance Company (U.S.A.)**  
**Actuarial Memorandum for Inforce Rate Increase – Custom Care III**  
**January 26, 2022**

Duration	No Inflation			
	Issue Age			
	55	65	75	82
1	3.16%	3.53%	5.29%	5.86%
5	1.25%	1.15%	1.93%	3.09%
10	0.80%	1.17%	1.19%	1.67%
15	0.76%	1.18%	1.37%	2.13%
20	0.54%	1.00%	2.09%	2.13%
25	0.59%	1.42%	2.13%	2.13%
30	0.76%	2.09%	2.13%	2.13%
35	1.42%	2.13%	2.13%	2.13%
40	2.09%	2.13%	2.13%	2.13%

Duration	Inflation			
	Issue Age			
	55	65	75	82
1	2.04%	2.68%	4.44%	3.85%
5	1.02%	1.11%	1.46%	1.13%
10	0.59%	0.81%	0.96%	0.99%
15	0.38%	0.63%	0.91%	2.00%
20	0.40%	0.61%	1.50%	2.19%
25	0.46%	1.24%	2.19%	2.19%
30	0.56%	2.19%	2.19%	2.19%
35	1.24%	2.19%	2.19%	2.19%
40	2.19%	2.19%	2.19%	2.19%

In addition to the lapse rates shown, we assume a 0.6% lapse rate due to the rate increase. The additional lapse rate is used to adjust future premiums and claims down by 0.6% starting at the expected date of the rate increase.

*Prior Lapse Rates*

The prior voluntary lapse rates based on our own experience between 2010 and 2015. Lapse rates vary by issue age, duration, and inflation option.



**John Hancock Life Insurance Company (U.S.A.)**  
**Actuarial Memorandum for Inforce Rate Increase – Custom Care III**  
**January 26, 2022**

Duration	No Inflation			
	Issue Age			
	55	65	75	82
1	4.30%	4.45%	4.93%	6.25%
5	1.70%	1.45%	1.80%	3.15%
10	1.16%	1.17%	1.27%	1.55%
15	0.63%	1.05%	1.31%	1.98%
20	0.55%	0.81%	1.93%	1.98%
25	0.55%	1.45%	1.98%	1.98%
30	0.81%	1.94%	1.98%	1.98%
35	1.45%	1.98%	1.98%	1.98%
40	1.94%	1.98%	1.98%	1.98%

Duration	Inflation			
	Issue Age			
	55	65	75	82
1	3.00%	3.00%	4.10%	4.10%
5	1.50%	1.25%	1.35%	1.15%
10	0.69%	0.77%	1.05%	0.91%
15	0.51%	0.67%	0.91%	1.85%
20	0.43%	0.60%	1.49%	2.03%
25	0.43%	1.27%	2.03%	2.03%
30	0.60%	2.03%	2.03%	2.03%
35	1.27%	2.03%	2.03%	2.03%
40	2.03%	2.03%	2.03%	2.03%

### Mortality

The mortality rates have been derived based on our own experience for the individual long-term care block of business over the five-year period from 2013 to 2017 on an Active Life basis.

In the 2019 mortality study, the company has updated the base table to the 2012 Individual Annuity Mortality (IAM) tables from the previously used 1994 Group Annuity Mortality (GAM) tables.

The base table is then adjusted based on the following factors:

- Issue age
- Duration
- Product and Risk Class
- Gender and Marital Status
- Underwriting eras (which captures underwriting changes and risk class assignment changes through different series of products)

**John Hancock Life Insurance Company (U.S.A.)**  
**Actuarial Memorandum for Inforce Rate Increase – Custom Care III**  
**January 26, 2022**

The final mortality table is based on 2012 IAM with 7 years of historical morality improvement (HMI) using projection G2 scale, with selection factors and adjustments to reflect the company's experience. Sample mortality rates before future mortality improvements are shown below:

Policy Duration	Standard Risk Class (Single, Female)		
	Issue Age		
	55	65	75
1	0.000	0.001	0.004
5	0.001	0.003	0.008
10	0.002	0.006	0.020
15	0.004	0.012	0.042
20	0.008	0.028	0.089
25	0.018	0.060	0.153
30	0.042	0.117	0.261

No future mortality improvements are assumed which is consistent with original pricing assumptions.

*Methodology Change - Active Life Mortality*

In prior filings, mortality has been represented on a Total Life basis, including both Active Lives (those not on claim) and Disabled Lives (those on claim). To be consistent with our Frist Principles approach, we are now showing mortality rates that are applied to Active Lives.

Since the prior mortality rates provided were on a Total Life basis, we have developed what those mortality assumptions would have been on an Active Life basis for comparison to the new rates above.

The mortality rates in the prior study were derived based on our own experience for the individual long-term care block of business over the five-year period from March 2009 through March 2014.

The base mortality table was the unloaded 1994 Group Annuity Mortality Table, sex-distinct, with 22 years of historical improvements based on scale AA. Selection factors and adjustments were applied to reflect the company's experience. Sample mortality rates before future mortality improvements are shown below:

Policy Duration	Standard Risk Class (Single, Female)		
	Issue Age		
	55	65	75
1	0.001	0.001	0.004
5	0.001	0.003	0.009
10	0.003	0.007	0.019
15	0.005	0.016	0.055
20	0.008	0.029	0.097
25	0.019	0.064	0.164
30	0.041	0.124	0.271

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We also included 10 years of projected future mortality improvement based on scale AA.

Expenses

Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate.

CPI Inflation Rate

At the time of pricing this product, John Hancock projected to enter into forward swaps to hedge inflation risk. These swaps drove the pricing of the product. The swaps were priced at an average rate 2.8%.

Due to inflation risk being hedged, we ensured that actual CPI rate never had an impact on rate increases by adjusting our original pricing loss ratio by reflecting actual past CPI in projected future claims. The projected CPI rate for both original pricing and best estimate cashflows reflects what our expectation for long-term inflation was back when the product was originally filed, which is 3.1% before issue year 2012 and 2.85% thereafter. We have not updated this rate as that would have no impact on rate increases as original pricing cashflows would also be changed, to ensure that changes in CPI do not impact rate increases.

However, due to basis changes creating additional inflation risk exposure, more future swaps were purchased at the end of 2019 in order to hedge said exposure. These swaps were priced at a lower rate than what was priced originally. The average notional- and duration-weighted terms of all swaps is now 2.4%.

In order to reflect the improvement in hedge terms, we have quantified the projected amount of gain and are including it as a claim reduction as part of the rate stability rule.

**6. Trend Assumptions**

As this is not medical insurance, we have not included any explicit medical cost trends in the projections.

**7. Marketing Method**

This product was typically marketed through our traditional agency system and brokers involving a personal contact with each applicant.

**8. Underwriting**

These policy forms were underwritten using a medical and risk questionnaire. We also utilized Attending Physician Statement and personal interviews depending on the age of the applicant and medical conditions.

**9. Premium Classes**

The base policy premium rates vary by issue age, benefit period, inflation option, home health care maximum benefit percentage, and underwriting class, as in the initial rate filing.

All premium factors related to the insured elected benefit design options or any eligible discount remain unchanged from the initial rate filing.

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**10. Premium Modalization Rules**

Frequency	Multiple of Annual Premium
Semiannual	.52
Quarterly	.27
Monthly	.09

**11. Issue Age Range**

The issue age range is 18-79 for all policy forms.

**12. Area Factors**

Area factors are not applicable to any of the policy forms or riders.

**13. Average Annual Premium**

The table below summarizes the average annual premium per policy in your state. The averages are based on policies inforce as of 12/31/2020. Premium-paying policies as well as policies on claim are included, since although the premium for policies on claim is currently waived, they could be subject to the rate increase upon recovery.

	Virginia
Form	Average Annual Premium
ICC10-LTC-11	2,611

**14. Number of Policyholders**

The table below summarizes, as of 12/31/2020, the number of policies inforce in your state and their 2020 annualized premium. Policies on claim are included, since although their premium is currently waived they could be subject to the rate increase upon recovery. Paid-up policies and policies which have exercised the nonforfeiture benefit option are excluded.

Form	Number of Policies	2020 Annualized Premium
ICC10-LTC-11	320	835,605

**15. Reserves**

Active Life Reserves have not been used in this rate increase demonstration. Minimum Statutory Claim reserves as of 12/31/2020 have been discounted to the date of incurral of each respective claim and included in the historical incurred claims. Incurred But Not Reported claim reserves as of 12/31/2020 have also been allocated to the calendar year of incurral and included in historic incurred claims.

**16. Analysis Performed**

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**Original Pricing Assumptions**

The initial premium schedule was based on the originally filed pricing assumptions which were believed to be appropriate, given company and industry experience available, when the initial rate schedule was developed.

The original pricing assumptions for morbidity, voluntary termination rates, and mortality are provided below. A comparison of actual to expected experience using the original pricing assumptions is not available because original pricing assumptions are no longer used to analyze current experience. Instead, we show actual to expected experience relative to the prior and new assumptions.

**Morbidity**

Claim assumptions were derived using data published by the National Center for Health Statistics National Nursing Home Survey (1985 and 1995), the National Health Interview Survey (1984), the National Long-Term Care Survey (1982, 1984, 1989, and 1994), Medicare data, and other experience furnished to us by consultants, with adjustments due to the impact of underwriting, inflation options, elected options, anti-selection considerations, and the savings incurred because the maximum daily benefit will not always be paid.

Below are the original sample annual claim costs for an ICC10-LTC-11 policy, \$10 daily benefit, with no inflation, and a 90 days elimination period (which included a 10.0% margin for moderately adverse experience):

Issue Age 50		
Age	3 year	5 year
50	0.55	0.73
55	2.06	2.90
60	4.00	5.74
65	13.06	18.91
70	21.98	31.02
75	49.79	70.95
80	114.32	162.24
85	271.80	370.61
90	380.19	485.66
95	398.25	484.69

Issue Age 60		
Age	3 year	5 year
60	1.07	1.43
65	8.26	11.66
70	20.15	28.00
75	51.90	73.29
80	124.47	175.81
85	295.01	400.00
90	408.17	518.11
95	421.72	505.94

Issue Age 70		
Age	3 year	5 year
70	6.07	7.83
75	41.01	56.55
80	122.71	170.71
85	306.63	412.06
90	439.16	554.11
95	443.90	527.67

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Voluntary Terminations

<b>Duration</b>	<b>Guaranteed Purchase Option</b>	<b>Other Inflation Options</b>
1	3.90%	3.30%
2	2.45%	1.95%
3	1.55%	1.35%
4	1.25%	1.00%
5	1.10%	0.95%
6	1.00%	0.90%
7	1.00%	0.85%
8	1.00%	0.85%
9	1.00%	0.85%
10	1.00%	0.85%
11+	0.95%	0.85%

Total Life Mortality

Our mortality decrement is based on the unloaded 1994 Group Annuity Mortality Table, sex-distinct, with 16 years of improvements, and the following selection factors:

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Policy	Issue Ages			
Year	<=55	65	75	79
1	21.7%	16.4%	18.8%	20.7%
2	29.1%	21.7%	24.2%	26.8%
3	35.6%	27.0%	31.2%	34.2%
4	39.0%	30.1%	37.5%	41.3%
5	41.6%	37.7%	44.6%	49.4%
6	43.4%	43.9%	51.9%	53.2%
7	45.9%	46.4%	59.2%	59.4%
8	49.1%	48.9%	63.7%	65.4%
9	51.3%	52.9%	67.5%	71.2%
10	54.7%	56.9%	72.1%	77.4%
11	58.0%	60.9%	76.9%	83.3%
12	61.4%	62.0%	82.6%	88.5%
13	62.5%	64.1%	88.4%	92.6%
14	64.4%	66.1%	90.8%	92.8%
15	66.4%	67.2%	93.0%	93.0%
16	68.2%	68.4%	93.0%	93.0%
17	70.7%	69.5%	93.0%	93.0%
18	73.1%	72.6%	93.0%	93.0%
19	75.5%	75.7%	93.0%	93.0%
20	78.0%	78.8%	93.0%	93.0%
21	80.5%	81.9%	93.0%	93.0%
22	83.0%	85.1%	93.0%	93.0%
23	85.5%	88.3%	93.0%	93.0%
24	88.0%	91.5%	93.0%	93.0%
25+	93.0%	93.0%	93.0%	93.0%

Policy	Risk Class			
Year	Preferred	Standard	Substd 1	Substd 2
1	60%	108%	147%	185%
2	61%	108%	149%	187%
3	62%	108%	151%	190%
4	63%	108%	153%	192%
5	64%	108%	155%	195%
6	65%	108%	157%	198%
7	66%	108%	159%	200%
8	67%	108%	162%	203%
9	68%	108%	164%	205%
10	69%	108%	166%	208%
11	70%	108%	168%	210%
12	73%	108%	170%	213%
13	76%	108%	172%	215%
14	79%	108%	174%	218%
15	82%	108%	176%	221%
16	86%	108%	176%	221%

Factors for ages between the ones listed above are interpolated.

### Recent Experience

As part of the inforce management of the business, the Company monitored the performance of the business by completing periodic analysis for morbidity, voluntary lapse rates, and mortality. The findings from these analyses were used in projecting the inforce business to determine the effect of experience on the projected lifetime loss ratio. The most current studies show significant unfavorable trends since the study that prompted our 2016 rate increase filings. In general, claims continue to last longer than expected and lapses are lower than expected.

The following tables show in aggregate how our new and prior assumptions compare to actual experience.

### Morbidity

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Claim cost components of incidence, claim terminations due to recovery or death, and benefit utilization were analyzed across many attributes focusing on the 5 year period of 2013 through 2017. Experience in durations 10+ are used for Incidence, Termination, and Utilization.

**Incidence (Count)**

Duration	Incidence A/E Before Assumption Updates	Incidence A/E After Assumption Updates
10-14	99%	100%
15-19	96%	99%
20+	97%	98%
<b>Total</b>	<b>97%</b>	<b>99%</b>

In 2018-2019 after the data for the experience study was complete, adverse morbidity experience was observed. Our new best estimate assumptions reflect this post-study experience by increasing the incidence assumption by 1%, increasing the utilization assumption by 1%, and decreasing the termination assumptions by 1%.

**Claim Termination (Count)**

	All Months		Months 1-5		Months 6+	
Benefit Period	Termination A/E Before Assumption Updates	Termination A/E After Assumption Updates	Termination A/E Before Assumption Updates	Termination A/E After Assumption Updates	Termination A/E Before Assumption Updates	Termination A/E After Assumption Updates
<10 years	96%	98%	81%	95%	104%	100%
10+ years	94%	97%	89%	97%	96%	98%
<b>Total</b>	<b>95%</b>	<b>98%</b>	<b>83%</b>	<b>96%</b>	<b>102%</b>	<b>99%</b>

**Utilization (Amount)**

Inflation	Utilization A/E Before Assumption Updates	Utilization A/E After Assumption Updates
None / GPO	99%	99%
Simple	98%	98%
Compound	101%	101%
<b>Total</b>	<b>99%</b>	<b>99%</b>

Overall our morbidity experience has been unfavorable since the last filing, largely due to unfavorable claim termination experience during the first 5 months on claim. Amongst those that do terminate from claim, the proportion recovering as opposed to dying has been close to expected.

Voluntary Lapses

Lapse experience from 2013 through 2017 was analyzed both by policy count (for credibility) and by policy amount (for assumption recommendations). Note that “Amount” is defined as the Maximum Daily Benefit



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multiplied by a Benefit Period factor to ensure that policies with longer benefit periods are appropriately weighted.

In prior studies, any policy that was rerated after the 2008 rate increase filing was permanently excluded from the remainder of the study. As rate increase filings have become more prevalent, policies are now allowed to re-enter the study following the rerate shock lapse period (2 years).

Actual to Expected ratios by amount for this block for John Hancock individual (including our assumed business) summarized by inflation and duration groups before and after the assumption update are shown below.

	Without Inflation		With Inflation	
Duration	Lapse A/E Before Assumption Updates	Lapse A/E After Assumption Updates	Lapse A/E Before Assumption Updates	Lapse A/E After Assumption Updates
1-5	66%	83%	76%	100%
6-10	79%	99%	91%	101%
11-15	101%	102%	83%	101%
16-20	110%	104%	98%	100%
21-25	108%	107%	103%	104%
26+	87%	86%	117%	117%
Total per inflation	90%	99%	84%	100%

Actual to expected ratios based on the prior assumptions were overall much lower than expected with an overall A/E ratio of 85% by amount. This was primarily driven by lower lapses in the earlier durations, specifically for younger issue ages. Lapse rates continue to be lower for policies with an inflation option. After updating assumptions based on experience, the A/E ratios are now 100% overall.

#### Healthy Life Mortality

Healthy life mortality experience from 2013 through 2017 was analyzed both by policy count (for credibility) and by policy amount (for assumption recommendations). Note that “Amount” is defined as Maximum Daily Benefit multiplied by a Benefit Period factor to ensure that policies with longer benefit periods are appropriately weighted.

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The below table shows the healthy life A/E ratios by amount before and after the assumption update for our Individual business (including our assumed business).

Duration	Mortality A/E Before Assumption Updates	Mortality A/E After Assumption Updates
1-5	94%	99%
6-10	98%	101%
11-15	100%	101%
16-20	106%	103%
21-25	94%	99%
26+	92%	93%
<b>Total</b>	<b>101%</b>	<b>101%</b>

Healthy life mortality experience for our individual block in aggregate was close to our expectation, however expectations were adjusted for certain subgroups. Adjustments were made to product selection factors, risk class adjustment factors, and gender and marital factors to account for developing experience.

#### **17. Loss Ratio Exhibit (Exhibit 1)**

**Exhibit 1** contains nationwide past premium and claims experience through 12/31/2020 as well as future premium and claim projections and hedge gains. It illustrates that the anticipated lifetime loss ratio net of hedge gains is 66.5%, well in excess of the minimum loss ratio of 60% as well as greater than the original pricing loss ratio of 58.6%. The lifetime loss ratio as of 12/31/2019 is calculated as the sum of accumulated past and discounted future claims less hedge gains divided by the sum of accumulated past and discounted future earned premium where accumulation and discounting occur at the maximum statutory valuation discount rate.

In addition, **Exhibit 1** contains the original expected loss ratio projections with the lifetime loss ratios calculated as stated above, adjusted for the following.

- For contracts with the CPI linked inflation rider, both past and future benefits were updated to reflect the impact of actual past CPI rates differing from the original pricing assumption. In this way, the current projected benefits and the benefits projected in original pricing are based on the same level of CPI indices. This adjustment is needed to neutralize the impact on the rate increase for differences in actual past CPI from original pricing assumptions; i.e. the need for a rate increase and the level of a rate increase is not dependent on changes in the CPI levels. Adjustments will be made in both directions (i.e. when actual CPI is higher or lower than original pricing).
- Updated to reflect the actual mix of business sold

Actual CPI rates have been significantly lower than projected in recent years, which lowers the lifetime loss ratio. The anticipated lifetime loss ratio of 66.5% exceeds the previously certified lifetime loss ratio, which has been restated to 61.2% for the removal of waived premiums and for actual CPI rates through yearend 2018.

#### **18. Actuarial Certification**

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I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for rendering this opinion and am familiar with the requirements for filing and reviewing long-term care insurance premiums. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 8.

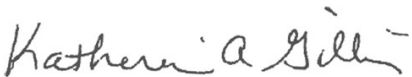
The preceding Actuarial Memorandum contains:

- a) the assumptions on which this certification is based;
- b) the adjustments to prior assumptions with an explanation of the reasons previous assumptions were not realized;
- c) a lifetime projection of the prior premium rate schedules and incurred claims plus future expected premiums and claims which demonstrates that the revised premium rate schedule meets the loss ratios standards and necessary details of this state; and
- d) disclosure of the manner, if any, in which reserves have been recognized.

In my opinion, the premium rate schedules are not sufficient to cover anticipated costs under best estimate assumptions and the premium rate schedules may not be reasonably expected to be sustainable over the life of the policies with no future premium increases anticipated. Based on my review of recent experience of the policies, in my opinion, a rate action is necessary at this time as a result of this analysis. A plan of action will be submitted to the commission within 60 days of this certification. This plan will summarize our intent to submit a rate increase filing.

I have reviewed and taken into consideration the policy design and coverage provided, and our current underwriting and claims adjudication processes.

In forming my opinion, I have used actuarial assumptions and actuarial methods and such tests of the actuarial calculations as I considered necessary.



Katherine A Gillis, FSA, MAAA  
Actuary, Long Term Care Inforce Management  
John Hancock Life Insurance Company

**Exhibit 1: Nationwide Loss Ratio Exhibit  
Custom Care III/Core Care (ICC-LTC-11)**

Calendar Year	Original Assumptions			12/31/2018 Data			Historical & Projected Experience			12/31/2020 Data			
	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	Incurred Claims	Earned Premium	Incurred Loss Ratio	
1988	-	-	-	-	-	-	-	-	-	-	-	-	
1989	-	-	-	-	-	-	-	-	-	-	-	-	
1990	-	-	-	-	-	-	-	-	-	-	-	-	
1991	-	-	-	-	-	-	-	-	-	-	-	-	
1992	-	-	-	-	-	-	-	-	-	-	-	-	
1993	-	-	-	-	-	-	-	-	-	-	-	-	
1994	-	-	-	-	-	-	-	-	-	-	-	-	
1995	-	-	-	-	-	-	-	-	-	-	-	-	
1996	-	-	-	-	-	-	-	-	-	-	-	-	
1997	-	-	-	-	-	-	-	-	-	-	-	-	
1998	-	-	-	-	-	-	-	-	-	-	-	-	
1999	-	-	-	-	-	-	-	-	-	-	-	-	
2000	-	-	-	-	-	-	-	-	-	-	-	-	
2001	-	-	-	-	2,176	0%	-	2,176	0%	-	2,176	0%	
2002	-	-	-	-	2,176	0%	-	2,176	0%	-	2,176	0%	
2003	-	-	-	-	2,176	0%	-	2,176	0%	-	2,176	0%	
2004	-	-	-	-	2,176	0%	-	2,176	0%	-	2,176	0%	
2005	-	-	-	-	2,176	0%	-	2,176	0%	-	2,176	0%	
Historical Experience	2006	-	-	-	2,176	0%	-	2,176	0%	-	2,176	0%	
	2007	-	-	-	9,945	0%	-	9,974	0%	-	9,974	0%	
	2008	-	-	-	13,161	0%	-	13,161	0%	-	13,161	0%	
	2009	-	-	-	14,851	0%	-	14,935	0%	-	14,935	0%	
	2010	-	-	-	25,165	0%	-	25,297	0%	-	25,297	0%	
	2011	35,830	7,488,632	0%	119,960	7,516,698	2%	119,960	7,749,237	2%	119,960	7,749,237	2%
2012	291,171	25,029,174	1%	-	24,824,218	0%	-	25,182,129	0%	-	25,198,913	0%	
2013	603,161	28,707,922	2%	9,812	28,407,601	0%	9,812	28,486,368	0%	9,812	28,477,124	0%	
2014	940,164	29,477,615	3%	318,619	29,187,692	1%	321,862	29,187,539	1%	322,464	29,195,486	1%	
2015	1,324,007	29,054,456	5%	600,410	28,763,111	2%	590,153	28,757,125	2%	574,800	28,750,983	2%	
2016	1,745,964	28,558,885	6%	1,414,660	28,174,997	5%	1,504,889	28,155,918	5%	1,458,779	28,151,989	5%	
2017	2,147,293	28,059,456	8%	2,515,173	27,756,234	9%	2,403,965	27,751,924	9%	2,251,285	27,771,481	8%	
2018	2,693,969	27,535,871	10%	2,172,809	27,534,504	8%	2,696,080	27,159,670	10%	2,805,911	27,151,118	10%	
2019	3,391,410	26,978,206	13%	-	-	-	4,289,581	26,204,893	16%	3,847,793	26,299,858	15%	
Projected Future Experience	2020	4,153,667	26,378,935	16%	4,569,293	25,847,290	18%	4,496,137	25,742,658	17%	4,172,704	25,415,464	16%
	2021	4,962,478	25,734,891	19%	5,550,145	25,367,468	22%	5,461,854	25,267,486	22%	5,427,687	25,350,604	21%
	2022	5,733,277	25,043,943	23%	6,636,149	24,828,161	27%	6,533,607	24,732,840	26%	6,489,727	24,813,134	26%
	2023	6,693,527	24,303,758	28%	7,717,615	24,251,447	32%	7,600,973	24,160,631	31%	7,547,697	24,238,011	31%
	2024	7,873,118	23,512,713	33%	8,927,541	23,643,424	38%	8,794,543	23,557,309	37%	8,730,677	23,631,723	37%
	2025	9,150,591	22,676,077	40%	10,454,492	23,051,463	45%	10,304,036	22,970,096	45%	10,224,009	23,042,023	44%
	2026	10,469,997	21,801,086	48%	12,185,455	22,399,053	54%	12,013,296	22,322,172	54%	11,917,881	22,390,634	53%
	2027	11,726,545	20,893,954	56%	14,102,806	21,654,961	65%	13,903,900	21,583,120	64%	13,790,867	21,648,114	64%
	2028	13,301,586	19,958,000	67%	16,095,387	20,835,815	77%	15,870,050	20,769,190	76%	15,736,890	20,830,761	76%
	2029	15,193,921	18,986,840	80%	18,086,499	19,966,888	91%	17,836,892	19,905,459	90%	17,682,217	19,963,743	89%
	2030	17,074,628	17,979,650	95%	20,175,498	19,050,928	106%	19,905,044	18,995,283	105%	19,728,770	19,051,326	104%
	2031	18,664,183	16,943,848	110%	22,473,738	18,112,936	124%	22,179,861	18,061,815	123%	21,983,955	18,113,725	121%
	2032	19,889,726	15,887,193	125%	24,809,066	17,203,937	144%	24,490,141	17,158,478	143%	24,274,902	17,206,497	141%
	2033	21,382,139	14,811,969	144%	27,074,099	16,248,674	167%	26,730,394	16,208,385	165%	26,496,157	16,252,785	163%
	2034	23,083,500	13,721,158	168%	29,154,398	15,239,715	191%	28,791,236	15,204,244	189%	28,537,813	15,244,481	187%
	2035	24,591,563	12,624,847	195%	30,592,858	14,166,121	216%	30,226,052	14,135,225	214%	29,962,254	14,171,120	211%
	2036	25,720,444	11,537,338	223%	32,033,878	13,083,454	245%	31,659,922	13,056,122	242%	31,388,092	13,088,939	240%
	2037	25,617,611	10,476,021	245%	33,667,004	12,003,594	280%	33,281,174	11,980,107	278%	32,998,664	12,008,044	275%
	2038	25,805,702	9,457,430	273%	35,134,382	10,935,264	321%	34,739,048	10,915,403	318%	34,442,877	10,938,300	315%
	2039	26,385,960	8,487,518	311%	36,081,010	9,883,882	365%	35,684,369	9,867,211	362%	35,371,316	9,885,049	358%
	2040	26,757,550	7,573,695	353%	35,434,845	8,779,167	404%	35,053,936	8,765,872	400%	34,736,950	8,779,304	396%
	2041	26,734,377	6,719,686	398%	34,619,687	7,757,282	446%	34,253,598	7,744,274	442%	33,948,396	7,754,166	438%
	2042	25,257,565	5,925,785	426%	34,114,205	6,828,567	500%	33,756,734	6,817,375	495%	33,451,713	6,823,403	490%
	2043	24,179,994	5,194,852	465%	33,620,985	5,979,977	562%	33,273,557	5,970,630	557%	32,958,962	5,972,686	552%
	2044	23,568,632	4,525,429	521%	32,733,668	5,201,724	629%	32,401,054	5,193,942	624%	32,076,629	5,192,605	618%
	2045	22,783,171	3,919,147	581%	30,376,263	4,399,485	690%	30,068,780	4,392,289	685%	29,747,266	4,389,760	678%
	2046	21,776,821	3,374,865	645%	27,900,168	3,720,920	750%	27,613,354	3,715,831	743%	27,308,171	3,711,532	736%
	2047	19,707,934	2,888,123	682%	25,829,874	3,149,186	820%	25,561,964	3,145,603	813%	25,268,622	3,139,775	805%
	2048	17,943,154	2,457,189	730%	24,187,139	2,676,144	904%	23,936,520	2,672,945	896%	23,648,248	2,665,575	887%
	2049	16,613,231	2,076,853	800%	22,589,549	2,260,854	999%	22,356,924	2,258,060	990%	22,068,425	2,249,734	981%
	2050	15,248,840	1,745,404	874%	20,270,219	1,815,577	1116%	20,061,523	1,812,506	1107%	19,781,477	1,803,977	1097%
	2051	13,844,051	1,459,030	949%	17,994,568	1,474,746	1220%	17,808,642	1,471,652	1210%	17,548,311	1,463,071	1199%
	2052	11,976,946	1,212,699	988%	16,016,488	1,205,249	1329%	15,847,749	1,202,833	1318%	15,605,797	1,194,200	1307%
	2053	10,430,056	1,003,114	1040%	14,281,515	996,920	1433%	14,127,968	995,186	1420%	13,900,663	987,096	1408%
2054	9,265,154	825,207	1123%	12,702,256	819,722	1550%	12,563,040	818,242	1535%	12,349,882	810,805	1523%	
2055	8,154,582	675,969	1206%	11,320,197	632,328	1790%	11,195,436	631,332	1773%	10,997,898	624,936	1760%	
2056	7,129,481	551,927	1292%	9,971,308	486,777	2048%	9,860,348	485,717	2030%	9,676,889	480,371	2014%	
2057	6,130,256	449,011	1365%	8,299,483	382,564	2169%	8,204,424	381,630	2150%	8,044,391	376,821	2135%	
2058	5,273,861	364,120	1448%	6,808,115	302,216	2253%	6,727,528	301,452	2232%	6,590,282	297,288	2217%	
2059	4,568,967	293,724	1556%	5,670,749	236,803	2395%	5,602,289	236,179	2372%	5,484,795	232,646	2358%	
2060	3,978,404	235,885	1687%	4,768,643	182,955	2606%	4,710,851	182,456	2582%	4,608,346	179,483	2568%	
2061	3,459,268	188,474	1835%	3,963,832	139,522	2841%	3,914,791	139,132	2814%	3,823,616	136,671	2798%	
2062	2,847,267	149,623	1903%	3,210,074	87,967	3649%	3,169,298	87,817	3609%	3,091,281	85,911	3598%	
2063	2,363,572	118,004	2003%	2,514,984	53,444	4706%	2,482,006	53,172	4668%	2,416,387	51,656	4678%	
2064	2,016,990	92,443	2182%										

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**John Hancock Financial Services**

Long Term Care  
200 Berkeley Street  
Boston, Massachusetts 02116

(617) 572-1284  
kgillis@jhancock.com

**Katherine Gillis, FSA, MAAA**  
Actuary, LTC Inforce Management



June 6, 2022

Bill Dismore

Re: John Hancock Life Insurance Company (U.S.A.)  
2019 Inforce Rate Increases - JH CCIII  
SERFF ID: MULF-133155435

Dear Mr. Dismore,

This letter is in response to your objection dated June 6, 2022, regarding the above filing. Your questions/concerns are included below in bold with our responses following.

**If the proposed rate increase were to be approved as filed, please identify the specific triggers that would cause the company to file a future rate increase.**

Please note that future incurred claims shown in the projections are grossed up for a 10% margin for adverse experience, consistent with original pricing. The requested rate increase is due to a deterioration in experience exceeding the 10% margin. If the proposed rate increase were to be approved as filed, if future experience deteriorates further, we would not file a rate increase unless the experience was 10% worse.

Please do not hesitate to contact me if you have any questions on the above.

Sincerely,

A handwritten signature in dark ink that reads "Katherine A. Gillis". The signature is fluid and cursive, with a horizontal line drawn underneath it.

Katherine A Gillis, FSA, MAAA  
Actuary, Long Term Care Inforce Management  
John Hancock Life Insurance Company

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June 8, 2022

Bill Dismore

Re: John Hancock Life Insurance Company (U.S.A.)  
2019 Inforce Rate Increases - JH CCIII  
SERFF ID: MULF-133155435

Dear Mr. Dismore,

This letter is in response to your objection dated June 7, 2022, regarding the above filing. Your questions/concerns are included below in bold with our responses following.

**Please advise if Virginia has been withdrawn from filing MULF-132821167. If not, please explain how this filing impacts the VA rate request filing MULF-133155435. We are concerned that they are duplicate rate requests.**

The MULF-132821167 filing referenced above is the Compact CCIII Benefit Builder (2012) product filing which is separate and distinct from the MULF-133155435 filing for CCIII. The two filings cover different sets of policies and therefore the Compact CCIII Benefit Builder (2012) filing has no impact on this VA CCIII filing; they are not duplicate rate requests.

Please do not hesitate to contact me if you have any questions on the above.

Sincerely,

A handwritten signature in dark ink that reads "Katherine A. Gillis". The signature is fluid and cursive, with a horizontal line drawn underneath it.

Katherine A Gillis, FSA, MAAA  
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John Hancock Life Insurance Company

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July 13, 2022

Bill Dismore

Re: John Hancock Life Insurance Company (U.S.A.)  
2019 Inforce Rate Increases - JH CCIII  
SERFF ID: MULF-133155435

Dear Mr. Dismore,

This letter is in response to your objection dated July 7, 2022, regarding the above filing. Your questions/concerns are included below in bold with our responses following.

**After the approval of the original rates on March 4, 2011, the Company filed new business rates on two subsequent occasions; that is, filed revised rate schedules using the same policy form but applicable to new business only. The first set of new business rate schedules was approved on May 25, 2012, and the second set of new business rate schedules was approved on March 24, 2014. The Company has not previously received approval for any in-force rate increases on this form prior to this rate increase request. The Company has advised that the rate increase request is only applicable to the original set of rates and will not impact the 2012 or 2014 premium rate schedules.**

**In regards to the above and as requested in our objection letter under withdrawn VA filing, SERFF Tr. # MULF-131066194, please respond to the following:**

**1) Since the company has multiple premium rate schedules for the same policy form, pursuant to 14VAC5-200-153 B. 4. please provide a statement that renewal premium rate schedules are not greater than the new business premium rate schedules except for differences attributable to benefits, unless sufficient justification is provided to the VA Bureau of Insurance.**

**We request that the Company provide such statement and justify that the proposed premium rates are not greater than the two sets of new business rates approved on May 25, 2012 and March 24, 2014. In addition, provide justification that the proposed rate increase is not unfairly discriminatory pursuant to § 38.2-508 of the Virginia Insurance Code.**

There are several distinct blocks of business referenced above which were initially filed with the Interstate Compact. A summary of the policy forms and issue dates can be seen in the table below.

<b>Policy Form</b>	<b>Compact Approval Year</b>	<b>Issue Dates</b>
ICC10-LTC-11	2011	Jun 2011 – Feb 2013
ICC10-LTC-11 (2012)	2012	Oct 2012 – Aug 2014
ICC14	2014	Jul 2014 – Aug 2015

The "CCIII" product which is the subject of this filing is policy form ICC10-LTC-11. These rates were originally filed through the Interstate Compact and were approved in March of 2011. The product was repriced with design changes and subsequent rates were approved by the Compact in 2012, and then again in 2014. These rates were distinct from the original rates and different Moderately Adverse Filing margins were reflected. We believe it is not discriminatory but is appropriate for the experience of these blocks to be reviewed separately and to have different margin triggers and different histories. As a result, rate increases are separately determined and separately actuarially justified.

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Rate increase filings for the ICC10-LTC-11 (2012) block are currently under review by the Intestate Compact. Rates for ICC14 have been certified with the Interstate Compact; however, given that there were different initial rates and a different Moderately Adverse margin, no rate increase is actuarially justified for that block of business.


Our understanding of the intent of the language in 14VAC5-200-153 B. 4., which is consistent with the language in the NAIC Model Regulation, is to require a comparison to rate schedules for new business currently being issued and not to later generations of inforce business. Since we no longer issue new business, we believe such comparison does not apply.

**2) Please explain if the premium and claims experience was combined for the policy form utilized in all three sets of rates (2011, 2012, and 2014) or if the experience was restricted to the policies under the rates approved on March 4, 2011. Provide justification for the methodology used by the Company.**

As noted above, we believe it is appropriate for the experience of these blocks to be reviewed separately. Therefore, premium and claims experience for the distinct sets of rates (2011, 2012, and 2014) was not combined in determining the proposed rate increases for the block of policies approved on March 4, 2011. Premium and claims experience was restricted to the policies under the rates approved on March 4, 2011.

Please do not hesitate to contact me if you have any questions on the above.

Sincerely,



Katherine A Gillis, FSA, MAAA  
Actuary, Long Term Care Inforce Management  
John Hancock Life Insurance Company



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Actuary, LTC Inforce Management



August 31, 2022

Bill Dismore

Re: John Hancock Life Insurance Company (U.S.A.)  
2019 Inforce Rate Increases - JH CCIII  
SERFF ID: MULF-133155435

Dear Mr. Dismore,

This letter is in response to your objection dated August 24, 2022, regarding the above filing. Your questions/concerns are included below in bold with our responses following.

**Please provide all SERFF Tracking #s for each of the following; (i) the date of approval of each form's initial rate approval, (ii) all rate increases for these forms filed with either the NAIC Compact and Virginia.**

**Please include pending, withdrawn and approved rate revision SERFF tracking numbers and include the Overall % rate increase requested for each filing.**

**The policy forms are:**

- 1) ICC10-LTC-11 issued 6/2011 to 2/2013**
- 2) ICC10-LTC-11 (2012) issued 10/2012 to 8/2014**
- 3) ICC14 issued 7/2014 to 8/2015**

The requested information has been summarized in the attached file named "*ICC10-LTC-11 SERFF Filing History.xlsx*". Please note that for policies issued between 7/2014 and 8/2015, the full policy form number ICC10-LTC-11 (2014) has been shown in place of "ICC14" to avoid confusion.

If there are additional questions, we believe it may be more helpful to have a call at your convenience to discuss the history of the filings. Please let us know if you would like us to arrange a discussion.

Sincerely,

A handwritten signature in dark ink that reads "Katherine A. Gillis". The signature is fluid and cursive, with a horizontal line drawn underneath it.

Katherine A Gillis, FSA, MAAA  
Actuary, Long Term Care Inforce Management  
John Hancock Life Insurance Company

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**Katherine Gillis, FSA, MAAA**  
Actuary, LTC Inforce Management



December 6, 2022

Bill Dismore

Re: John Hancock Life Insurance Company (U.S.A.)  
2019 Inforce Rate Increases - JH CCIII  
SERFF ID: MULF-133155435

Dear Mr. Dismore,

This letter is in response to your objection dated September 20, 2022, regarding the above filing. Your questions/concerns are included below in bold with our responses following.

**After continued review of the filing, discussions with the Chief Market Examiner, Bob Grissom, and review of the prior filing, the facts seem to be the same as those that lead to our disapproval of a related filing in 2017 (see SERFF filing MULF-131066194.)**

**As noted in that filing, the primary issue is in regards to the multiple set of rates for the policy forms. The Bureau allows insurers to file different rates for new issues of a policy form as long as the insurer can actuarially justify the new rate going forward while the rate for existing policyholders remains unchanged. Subsequent rate increases must apply to all insureds rather than just to certain blocks, as this would be unfairly discriminatory pursuant to § 38.2-508 of the Code. The exception to this would be that it would be acceptable to increase the rates for one block as long as its actuarially justified and the rates for that block do not exceed the rates for any other block of rates for policy form ICC10-LTC-11.**

**The other issue is that only part of the policy forms experience was used to support the rate increase. In filing for a rate increase, the experience of the entire form should be provided and it would need to be demonstrated to the Bureau's satisfaction that the rate increase for one block is justified while also demonstrating that the policy as a whole would still meet the minimum required standards. The company may provide a breakdown of the experience in various segments, but it would still need to provide the experience of the entire form rather than simply part of the data.**

Thank you for taking the time to review and discuss our filing. Following our recent conversation, while we do not agree with the state's position, we would like to move forward by proposing rate increases for the initial CCIII block that would bring the premiums in line with the CCIII (2012) block, the new business rates for which were approved in June of 2012. This results in an average rate increase of 9.5% compared to the originally filed actuarially justified average rate increase of 21.3%. Inflation reduction landing spots, the Shared Cost Option, and the voluntary Enhanced Nonforfeiture Option would not be available to policyholders.

We have attached a revised premium rate schedule for your review.

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Please let me know if you have any questions on the above.

Sincerely,

A handwritten signature in cursive script, reading "Katherine A. Gillis". The signature is written in dark ink and is positioned above a horizontal line.

Katherine A Gillis, FSA, MAAA  
Actuary, Long Term Care Inforce Management  
John Hancock Life Insurance Company

**John Hancock Financial Services**

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**Katherine Gillis, FSA, MAAA**  
Actuary, LTC Inforce Management



January 24, 2023

Bill Dismore

Re: John Hancock Life Insurance Company (U.S.A.)  
2019 Inforce Rate Increases - JH CCIII  
SERFF ID: MULF-133155435

Dear Mr. Dismore,

At this time, we would like to amend our filing in response to your note to filer dated January 20, 2023, pertaining to the above referenced filing. Your questions/concerns are included below in bold with our responses following.

**Please advise when the company will submit an updated actuarial memorandum, LTC Rate Review Summary and Supporting Documentation to support the revised 9.5% rate request.**

We have attached an updated actuarial memorandum with this response reflecting the revised 9.5% rate request. Specifically, the following sections have been revised:

- Section 13 – Average Annual Premium after the rate increase
- Section 17 – Requested Rate Increase
- Section 22 – Actuarial Certification; Updated to indicate that if the requested premium increase is implemented and the underlying assumptions are realized, additional rate increases will be necessary to achieve the full actuarially justified one-time request based on the Lifetime Loss Ratio
- Exhibit 1 – Nationwide Loss Ratio Exhibit; includes projections showing the 9.5% average rate increase

We have also included a file that shows that the premium rates after the rate increase match the original premiums from the CCIII (2012) block: "VA CCIII rates comparison.xlsx".

Please note that rates and the LTC Rate Review Summary reflecting the revised request were provided as part of our response to your September 20, 2022 objection.

Please let me know if you have any questions on the above.

Sincerely,

A handwritten signature in black ink that reads "Katherine A. Gillis". The signature is written in a cursive, flowing style.

Katherine A Gillis, FSA, MAAA  
Actuary, Long Term Care Inforce Management  
John Hancock Life Insurance Company

Peter K. Burke  
Assistant Vice President  
Long-Term Care Insurance  
PO Box 55978  
Boston, MA 02205-9723



Jane Doe  
22 Main Street  
Anytown, VA 00000

September 1, 2023

Re: **Notice of Premium Rate Increase – Long-Term Care Insurance Policy No. 9999999.**  
**Decision Required by November 1, 2023.**

John Hancock Life Insurance Company (U.S.A.) (John Hancock)

Dear Jane Doe,

We are writing to let you know that the premium for your John Hancock long-term care insurance (LTCi) policy is increasing. This notice will provide you with:

- **Details** about the premium increase
- **Options** available to you to help keep your premiums at or near their current level
- **Next Steps** and the resources to help you decide how to manage the increase

### **About the Premium Increase**

John Hancock is committed to helping ensure LTCi benefits will be there when most needed. To uphold this responsibility, we continuously monitor the experience of our LTCi policies. Our most recent comprehensive claims study, which we generally conduct every three years, demonstrates lower than expected claim terminations during the elimination period. In short, we anticipate having to pay more claims in the future than previously expected. Based on that data, we have determined that there is a need to increase premiums on this policy series to reflect that future claims are expected to be significantly higher on these policies than originally expected or priced in order to meet future claims obligations.

### **Your Premium Increase**

The approved rate increase is 13.8% for your policy. Based on your current benefit selections, your premiums will increase from \$156.60 to \$178.20, monthly. This new premium will be effective for premiums due on or after December 1, 2023. You may pay this higher premium or choose one of the options to help mitigate the increase. Please note this letter is not a bill.

It is important for you to know that:

- the rate increase request was reviewed by Virginia's State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings both pending and approved, filed with the Virginia Bureau of Insurance are available for review on their website: <https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx>
- no person has been singled out for an increase
- no increase is due to advancing age or changing health

We do want you to know that this premium rate increase only represents a portion of the total requested rate increase we filed with Virginia Bureau of Insurance. The Bureau reviewed our request and did not approve the full amount requested. We continue to believe the full amount of the rate increases requested were fully justified and will continue to seek additional rate increases on these policy forms until approved. This may result in higher ultimate rate increases than what we had originally requested in order to compensate for the delayed implementation. Due to this we feel it is important for you to know an additional increase may be coming in the future to help you make an informed decision about any changes you are considering making to your policy.

The decision to increase premiums on certain policies is based upon the future claims anticipated on these policies and has been made by John Hancock - not your insurance agent nor the Virginia Bureau of Insurance. As a reminder, per the terms of your policy, premium rates are not guaranteed and could be increased again in the future, at which time similar benefit reduction options may be available to you. However, please be advised that John Hancock will not apply any additional premium rate increase to your policy for at least 12 months from your policy anniversary date of December 1, 2023.

### Your Options

We understand that a premium increase may not be affordable for some. **Therefore, we are offering you options to help keep your premiums at or near their current level.** Please see the enclosed "Options Worksheet" for more information on these options that may help you mitigate the premium increase.

### Included in this Package

- **Options Worksheet** (pages 3-6) – provides details about your current coverage and the options you have to help mitigate the premium increase. **Please note that all the options available to you may not be of equal value. Please review this information carefully.**
- **Frequently Asked Questions** (page 7) – provides answers to some of the most common questions.
- **Coverage Change Request Form** (pages 8-9) – may be used to elect an option to help mitigate the increase.

### Next Steps

- We recommend that you review all options available to you (including paying the rate increase and any available benefit reduction options) and consult with your family members and other advisors to determine which option is appropriate for your needs.
- If you decide to reduce your coverage as outlined in the Options Worksheet, simply complete the "Coverage Change Request Form" and return it to John Hancock by **November 1, 2023**.
- If you choose to make no changes to your coverage, no action is required, and your new increased premium will become effective on **December 1, 2023**.

### Where to Get Help

- **Contact John Hancock** with any questions you may have. Please visit [www.jhinfocenter.com](http://www.jhinfocenter.com) or contact one of our customer service representatives at 844-272-7842, Monday through Friday from 8:00 a.m. – 6:00 p.m. Eastern Time. The TTY number for the hearing impaired is 800-555-5421. Our dedicated team is available to help you make a decision that best meets your personal needs.
- **You may contact your local State Health Insurance Assistance Program (SHIP)** if you need additional counseling on your options. Please go to [www.shiptacenter.org](http://www.shiptacenter.org) to find the SHIP location closest to you.

We sincerely regret having to take this action, but we hope you find that the options and resources provided are helpful.

Sincerely,



Peter K. Burke  
Assistant Vice President, Long-Term Care Operations

Enclosures:  
Options Worksheet  
Frequently Asked Questions  
Coverage Change Request Form

## YOUR OPTIONS SUMMARY

The table below shows:

- Your current premium and the new premium you will be charged if you keep your current coverage; and
- Options you have available to help mitigate the premium increase, including any impact the change would have on your coverage and the resulting premium, where applicable. Please also see page 5 for other options that may be available to you.

Please visit [www.jhinfocenter.com](http://www.jhinfocenter.com) for current **cost of care** information specific to your area. As you evaluate what is best for you, we encourage you to consider the current and projected cost of care in your area, as well as how much of that amount you are willing and able to pay from your own savings.

Current Coverage		Coverage Change Options				
	Accept Rate Increase <sup>1</sup>	Reduce your BP <sup>2</sup>	Reduce your DB <sup>2</sup>	Reduce your BP & DB <sup>2</sup>	Contingent / Nonforfeiture Benefit <sup>6</sup>	Cancel Coverage
Daily Benefit (DB)/Monthly Benefit (MB) <sup>3</sup>	\$200	\$200	\$176	\$179	\$200	Cancel your coverage, effective immediately.
Benefit Period (BP)	6-year	3-year	6-year	5-year	N/A	
Elimination Period	90 Days					
Inflation Option	GPO					
Optional Riders	None					
Current monthly Premium	\$156.60					
New monthly Premium <sup>4</sup>	\$178.20	\$149.40	\$156.81	\$156.27	N/A	

Note - certain benefit reduction options will reduce your overall policy limit. Please contact John Hancock at 844-272-7842 for details. Please note that, as the insured, you have the right to a revised premium rate or rate schedule upon request.

<sup>1</sup>Assumes no recent changes in your current coverage.

<sup>2</sup>This reduction will also result in a corresponding decrease in your Total Policy Limit.

<sup>3</sup>DB is the most the coverage will reimburse for the costs of covered long-term care services received on any day.

<sup>6</sup>You have the option to convert your policy to a paid-up status with a reduced policy limit. See page 6 for more details.

## YOUR OPTIONS

### Reduce your Benefit Period

Reduce your benefit period from 6-year to 3-year, resulting in a new monthly premium of \$149.40. Reducing your benefit period will also reduce your overall policy limit. There will be no change to your other benefit levels.

### Reduce your Daily Benefit

Reduce your daily benefit from \$200 to \$176, resulting in a new monthly premium \$156.81. Reducing your daily benefit will also reduce your overall policy limit. There will be no change to your other benefit levels.

### Reduce your Benefit Period AND your Daily Benefit

Reduce your benefit period from 6-year to 5-year AND your daily benefit from \$200 to \$179, resulting in a new monthly of \$156.27. This combination of benefit reductions will also reduce your overall policy limit. There will be no change to your other benefit levels.

### Exercise the Nonforfeiture Benefit, resulting in a paid-up policy with reduced benefits

Your policy includes a Nonforfeiture Benefit, which enables you to discontinue paying premiums and provides you with a paid-up policy with reduced benefits. By exercising this option, you will be significantly reducing your policy benefits, so you should give this careful consideration before you select it.

The following terms apply if you choose to exercise the Nonforfeiture Policy Option:

- No benefits will be paid in excess of your new policy limit.
- Benefits will be paid subject to your new policy limit and the daily/monthly benefit levels (and other coverage limits) in effect at the time you convert your policy to paid-up status.
- All optional benefit riders will automatically terminate as of the effective date of your paid-up status.
- No future inflation adjustments will be made.
- All other applicable policy provisions, conditions, and limitations will remain in effect.
- This change will be effective on your next policy anniversary date.

### Cancel your coverage

If you choose to cancel your coverage, no claim for a previous or future loss will be eligible for consideration under a terminated policy. This change will be effective immediately.



## YOUR OPTIONS

### Other Benefit Reduction Options

In addition to the options listed above, you may be eligible to reduce other benefits to help mitigate the premium increase. These benefits can be reduced upon your request at any time. For example, you may be eligible to:

- Increase your elimination period

Please note - in certain instances the ability to reduce your benefits may not be available due to available plan options. For more information on these options as well as the new premium amounts, please call John Hancock at **844-272-7842**.

## IMPORTANT DATES

- ▶ If you choose an option listed on the enclosed Coverage Change Request Form, you must complete, sign and return the form by **November 1, 2023**.
- ▶ If you choose to make no changes to your coverage, no action is required. Your level of coverage will not change and your new increased premium will become effective on **December 1, 2023**.

**1. Why do you need to raise premium rates — can you explain further?**

When pricing a long-term care insurance product, insurance companies use the best available information at that time to predict how many policyholders might ultimately use the benefit in the future. This involves making certain assumptions about a variety of factors including: particular medical conditions, the expected lifespan of policyholders, the length of time policyholders keep their policies, and the cost of receiving long-term care services. If the actual experience differs in an unfavorable way from the expected experience based on these assumptions, a premium rate increase may become necessary.

Based on our most recent comprehensive claim study we anticipate having to pay more claims in the future than previously expected. More specifically, our claims study demonstrates lower than expected claim terminations during the elimination period and an updated view of future mortality and morbidity improvements, partially offset by favorable incidence as policyholders are filing claims at a lower rate than expected. Based on that data, we have determined that there is a need to increase premiums on certain policy series.

**2. What is the policy provision that allows you to raise my premiums?**

The provision that allows for an increase in premiums can be found on the front page of your policy. Your policy indicates that, while your insurance company cannot change coverage or refuse to renew coverage for reasons other than nonpayment of premiums, the company is allowed to change or increase premiums so long as the increase applies to an entire class of policies. We are required to file premium increases on policy series, along with actuarial justification, with the department of insurance in the state where the policy was purchased, and may only implement the rate increase once we are permitted to do so.

**3. Have I been singled out for this rate increase because of my age or health?**

No, the increase applies to everyone in the same rating class who purchased the same long-term care insurance product in the same state as you. No individual has been singled out for an increase, nor is the increase due to a policyholder's advancing age or changing health. Also, your state has not been singled out, as all states are included in our rate increase process.

**4. If I no longer live in the state where I purchased my policy, does the increase still apply?**

Yes. All LTC insurance policies are regulated by the original state in which they were written at the time of the purchase of the policy. That means that the state where you were residing when you purchased your policy continues to be the applicable state, even if you are now residing elsewhere.

**5. Do I need to complete and return the enclosed Coverage Change Request Form?**

The enclosed Coverage Change Request Form need only be completed and returned to John Hancock should you decide you want to adjust your benefits or cancel your policy. Otherwise, no action is necessary on your part, as the premium rate increase will take place automatically on the policy anniversary date specified in your letter.

**6. Will there be additional premium increases in the future?**

Premium rates are not guaranteed and may be increased in accordance with the terms of your policy. We will continue to monitor the claims experience to determine whether future increases will be necessary.

**7. If I pay premiums through online banking or an automatic draft plan and my premium is changing, is there any action I need to take?**

If you have an automatic draft plan established through John Hancock, no action is necessary, we will adjust the drafted amount. If you pay your premiums through online banking, please update your payment information with the new premium amount prior to the rate increase effective date.

If you choose to make no changes to your current coverage, no action is required and your new increased premium will be effective on **December 1, 2023**.

If you choose to change your coverage, you must select an option listed below, sign and return this Coverage Change Request Form by **November 1, 2023**.

*Before choosing any tax qualified long-term care policy option, we recommend that you review the option with a qualified tax professional or attorney to determine which option is best for you and to consider potential individual income tax consequences.*

**Step 1: Select an option (please choose only one option)**

For more details, please see your Options Worksheet. As a reminder, you may have alternative options available to help mitigate the premium increase. For more information, please call John Hancock at **844-272-7842**.

COVERAGE CHANGE OPTIONS		New Premium Effective December 1, 2023
<input type="checkbox"/>	<b>Reduce your Benefit Period from 6-year to 3-year.</b>	<b>\$149.40 monthly</b>
<input type="checkbox"/>	<b>Reduce your Daily Benefit from \$200 to \$176.</b>	<b>\$156.81 monthly</b>
<input type="checkbox"/>	<b>Reduce your Benefit Period from 6-year to 5-year and Daily Benefit from \$200 to \$179.</b>	<b>\$156.27 monthly</b>
<input type="checkbox"/>	<b>Exercise the Nonforfeiture Benefit Option available on your policy.</b> Your policy will be converted to a paid-up status with a modified policy limit of \$50,000.	N/A
<input type="checkbox"/>	<b>Cancel your coverage.</b> This change will be effective immediately.	N/A

**Step 2: Review Agreement and Acknowledgement**

I understand that my benefits and premium for those benefits will change based upon the option(s) I select. I understand that premium rates are not guaranteed and may be increased again in the future if I am among the group of policyholders whose premiums are determined to be inadequate.

If I select an option(s) to change my coverage, I understand that, within 30 days of the date this change becomes effective, I may cancel the change in my coverage and return to my original coverage at the increased premium level.

I understand the policy change(s) I selected above. By signing below, I agree that any change(s) other than cancelling my policy, will be effective on my next policy anniversary provided this form is received by John Hancock by the election deadline indicated in this package.

Continued on next page



**Step 3: Sign and Date**

---

**Signature (Jane Doe)**

---

**Date**

**Step 4: Return this completed form using the enclosed postage-paid envelope by November 1, 2023.**

**Mail**

John Hancock  
LTC Coverage Election  
P.O. Box 55978  
Boston, MA 02205-9723

**FAX**

John Hancock  
LTC Coverage Election  
877-606-7771

**EMAIL**

LTCforms@jhancock.com

Peter K. Burke  
Assistant Vice President  
Long-Term Care Insurance  
PO Box 55978  
Boston, MA 02205-9723



Jane Doe  
22 Main Street  
Anytown, VA 00000

September 1, 2023

Re: **Notice of Premium Rate Increase – Long-Term Care Insurance Policy No. 9999999.**  
**Decision Required by November 1, 2023.**  
John Hancock Life Insurance Company (U.S.A.) (John Hancock)

Dear Jane Doe,

We are writing to let you know that the premium for your John Hancock long-term care insurance (LTCi) policy is increasing. This notice will provide you with:

- **Details** about the premium increase
- **Options** available to you to help keep your premiums at or near their current level
- **Next Steps** and the resources to help you decide how to manage the increase

### **About the Premium Increase**

John Hancock is committed to helping ensure LTCi benefits will be there when most needed. To uphold this responsibility, we continuously monitor the experience of our LTCi policies. Our most recent comprehensive claims study, which we generally conduct every three years, demonstrates lower than expected claim terminations during the elimination period. In short, we anticipate having to pay more claims in the future than previously expected. Based on that data, we have determined that there is a need to increase premiums on this policy series to reflect that future claims are expected to be significantly higher on these policies than originally expected or priced in order to meet future claims obligations.

### **Your Premium Increase**

The approved rate increase is 13.8% for your policy. Based on your current benefit selections, your premiums will increase from \$156.60 to \$178.20, monthly. This new premium will be effective for premiums due on or after December 1, 2023. You may pay this higher premium or choose one of the options to help mitigate the increase. Please note this letter is not a bill.

It is important for you to know that:

- the rate increase request was reviewed by Virginia's State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings both pending and approved, filed with the Virginia Bureau of Insurance are available for review on their website: <https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx>
- no person has been singled out for an increase
- no increase is due to advancing age or changing health

We do want you to know that this premium rate increase only represents a portion of the total requested rate increase we filed with Virginia Bureau of Insurance. The Bureau reviewed our request and did not approve the full amount requested. As a result, we will be requesting further premium increases in the future, and your premiums may be affected. We continue to believe the full amount of the rate increases requested were fully justified and will continue to seek additional rate increases on these policy forms until approved. This may result in higher ultimate rate increases than what we had originally requested in order to compensate for the delayed implementation. Due to this we feel it is important for you to know an additional increase may be coming in the future to help you make an informed decision about any changes you are considering making to your policy. In addition, we completed a subsequent comprehensive claim study in 2022 which indicates that we will need to file for additional rate increases. As a result, we will be requesting further premium increases in the future.

The decision to increase premiums on certain policies is based upon the future claims anticipated on these policies and has been made by John Hancock - not your insurance agent nor the Virginia Bureau of Insurance. As a reminder, per the terms of your policy, premium rates are not guaranteed and could be increased again in the future, at which time similar benefit reduction options may be available to you. However, please be advised that John Hancock will not apply any additional premium rate increase to your policy for at least 12 months from your policy anniversary date of December 1, 2023.

### Your Options

We understand that a premium increase may not be affordable for some. **Therefore, we are offering you options to help keep your premiums at or near their current level.** Please see the enclosed "Options Worksheet" for more information on these options that may help you mitigate the premium increase.

### Included in this Package

- **Options Worksheet** (pages 3-6) – provides details about your current coverage and the options you have to help mitigate the premium increase. **Please note that all the options available to you may not be of equal value. Please review this information carefully.**
- **Frequently Asked Questions** (page 7) – provides answers to some of the most common questions.
- **Coverage Change Request Form** (pages 8-9) – may be used to elect an option to help mitigate the increase.

### Next Steps

- We recommend that you review all options available to you (including paying the rate increase and any available benefit reduction options) and consult with your family members and other advisors to determine which option is appropriate for your needs.
- If you decide to reduce your coverage as outlined in the Options Worksheet, simply complete the "Coverage Change Request Form" and return it to John Hancock by **November 1, 2023**.
- If you choose to make no changes to your coverage, no action is required, and your new increased premium will become effective on **December 1, 2023**.

### Where to Get Help

- **Contact John Hancock** with any questions you may have. Please visit [www.jhinfocenter.com](http://www.jhinfocenter.com) or contact one of our customer service representatives at 844-272-7842, Monday through Friday from 8:00 a.m. – 6:00 p.m. Eastern Time. The TTY number for the hearing impaired is 800-555-5421. Our dedicated team is available to help you make a decision that best meets your personal needs.
- **You may contact your local State Health Insurance Assistance Program (SHIP)** if you need additional counseling on your options. Please go to [www.shiptacenter.org](http://www.shiptacenter.org) to find the SHIP location closest to you.

We sincerely regret having to take this action, but we hope you find that the options and resources provided are helpful.

Sincerely,



Peter K. Burke  
Assistant Vice President, Long-Term Care Operations

Enclosures:  
Options Worksheet  
Frequently Asked Questions  
Coverage Change Request Form

## YOUR OPTIONS SUMMARY

The table below shows:

- Your current premium and the new premium you will be charged if you keep your current coverage; and
- Options you have available to help mitigate the premium increase, including any impact the change would have on your coverage and the resulting premium, where applicable. Please also see page 5 for other options that may be available to you.

Please visit [www.jhinfocenter.com](http://www.jhinfocenter.com) for current **cost of care** information specific to your area. As you evaluate what is best for you, we encourage you to consider the current and projected cost of care in your area, as well as how much of that amount you are willing and able to pay from your own savings.

Current Coverage		Coverage Change Options				
	Accept Rate Increase <sup>1</sup>	Reduce your BP <sup>2</sup>	Reduce your DB <sup>2</sup>	Reduce your BP & DB <sup>2</sup>	Contingent / Nonforfeiture Benefit <sup>6</sup>	Cancel Coverage
Daily Benefit (DB)/Monthly Benefit (MB) <sup>3</sup>	\$200	\$200	\$176	\$179	\$200	Cancel your coverage, effective immediately.
Benefit Period (BP)	6-year	3-year	6-year	5-year	N/A	
Elimination Period	90 Days					
Inflation Option	GPO					
Optional Riders	None					
Current monthly Premium	\$156.60					
New monthly Premium <sup>4</sup>	\$178.20	\$149.40	\$156.81	\$156.27	N/A	

Note - certain benefit reduction options will reduce your overall policy limit. Please contact John Hancock at 844-272-7842 for details. Please note that, as the insured, you have the right to a revised premium rate or rate schedule upon request.

<sup>1</sup>Assumes no recent changes in your current coverage.

<sup>2</sup>This reduction will also result in a corresponding decrease in your Total Policy Limit.

<sup>3</sup>DB is the most the coverage will reimburse for the costs of covered long-term care services received on any day.

<sup>6</sup>You have the option to convert your policy to a paid-up status with a reduced policy limit. See page 6 for more details.

## YOUR OPTIONS

### Reduce your Benefit Period

Reduce your benefit period from 6-year to 3-year, resulting in a new monthly premium of \$149.40. Reducing your benefit period will also reduce your overall policy limit. There will be no change to your other benefit levels.

### Reduce your Daily Benefit

Reduce your daily benefit from \$200 to \$176, resulting in a new monthly premium \$156.81. Reducing your daily benefit will also reduce your overall policy limit. There will be no change to your other benefit levels.

### Reduce your Benefit Period AND your Daily Benefit

Reduce your benefit period from 6-year to 5-year AND your daily benefit from \$200 to \$179, resulting in a new monthly of \$156.27. This combination of benefit reductions will also reduce your overall policy limit. There will be no change to your other benefit levels.

### Exercise the Nonforfeiture Benefit, resulting in a paid-up policy with reduced benefits

Your policy includes a Nonforfeiture Benefit, which enables you to discontinue paying premiums and provides you with a paid-up policy with reduced benefits. By exercising this option, you will be significantly reducing your policy benefits, so you should give this careful consideration before you select it.

The following terms apply if you choose to exercise the Nonforfeiture Policy Option:

- No benefits will be paid in excess of your new policy limit.
- Benefits will be paid subject to your new policy limit and the daily/monthly benefit levels (and other coverage limits) in effect at the time you convert your policy to paid-up status.
- All optional benefit riders will automatically terminate as of the effective date of your paid-up status.
- No future inflation adjustments will be made.
- All other applicable policy provisions, conditions, and limitations will remain in effect.
- This change will be effective on your next policy anniversary date.

### Cancel your coverage

If you choose to cancel your coverage, no claim for a previous or future loss will be eligible for consideration under a terminated policy. This change will be effective immediately.



## YOUR OPTIONS

### Other Benefit Reduction Options

In addition to the options listed above, you may be eligible to reduce other benefits to help mitigate the premium increase. These benefits can be reduced upon your request at any time. For example, you may be eligible to:

- Increase your elimination period

Please note - in certain instances the ability to reduce your benefits may not be available due to available plan options. For more information on these options as well as the new premium amounts, please call John Hancock at **844-272-7842**.

## IMPORTANT DATES

- ▶ If you choose an option listed on the enclosed Coverage Change Request Form, you must complete, sign and return the form by **November 1, 2023**.
- ▶ If you choose to make no changes to your coverage, no action is required. Your level of coverage will not change and your new increased premium will become effective on **December 1, 2023**.

**1. Why do you need to raise premium rates — can you explain further?**

When pricing a long-term care insurance product, insurance companies use the best available information at that time to predict how many policyholders might ultimately use the benefit in the future. This involves making certain assumptions about a variety of factors including: particular medical conditions, the expected lifespan of policyholders, the length of time policyholders keep their policies, and the cost of receiving long-term care services. If the actual experience differs in an unfavorable way from the expected experience based on these assumptions, a premium rate increase may become necessary.

Based on our most recent comprehensive claim study we anticipate having to pay more claims in the future than previously expected. More specifically, our claims study demonstrates lower than expected claim terminations during the elimination period and an updated view of future mortality and morbidity improvements, partially offset by favorable incidence as policyholders are filing claims at a lower rate than expected. Based on that data, we have determined that there is a need to increase premiums on certain policy series.

**2. What is the policy provision that allows you to raise my premiums?**

The provision that allows for an increase in premiums can be found on the front page of your policy. Your policy indicates that, while your insurance company cannot change coverage or refuse to renew coverage for reasons other than nonpayment of premiums, the company is allowed to change or increase premiums so long as the increase applies to an entire class of policies. We are required to file premium increases on policy series, along with actuarial justification, with the department of insurance in the state where the policy was purchased, and may only implement the rate increase once we are permitted to do so.

**3. Have I been singled out for this rate increase because of my age or health?**

No, the increase applies to everyone in the same rating class who purchased the same long-term care insurance product in the same state as you. No individual has been singled out for an increase, nor is the increase due to a policyholder's advancing age or changing health. Also, your state has not been singled out, as all states are included in our rate increase process.

**4. If I no longer live in the state where I purchased my policy, does the increase still apply?**

Yes. All LTC insurance policies are regulated by the original state in which they were written at the time of the purchase of the policy. That means that the state where you were residing when you purchased your policy continues to be the applicable state, even if you are now residing elsewhere.

**5. Do I need to complete and return the enclosed Coverage Change Request Form?**

The enclosed Coverage Change Request Form need only be completed and returned to John Hancock should you decide you want to adjust your benefits or cancel your policy. Otherwise, no action is necessary on your part, as the premium rate increase will take place automatically on the policy anniversary date specified in your letter.

**6. Will there be additional premium increases in the future?**

Premium rates are not guaranteed and may be increased in accordance with the terms of your policy. We will continue to monitor the claims experience to determine whether future increases will be necessary.

**7. If I pay premiums through online banking or an automatic draft plan and my premium is changing, is there any action I need to take?**

If you have an automatic draft plan established through John Hancock, no action is necessary, we will adjust the drafted amount. If you pay your premiums through online banking, please update your payment information with the new premium amount prior to the rate increase effective date.

If you choose to make no changes to your current coverage, no action is required and your new increased premium will be effective on **December 1, 2023**.

If you choose to change your coverage, you must select an option listed below, sign and return this Coverage Change Request Form by **November 1, 2023**.

*Before choosing any tax qualified long-term care policy option, we recommend that you review the option with a qualified tax professional or attorney to determine which option is best for you and to consider potential individual income tax consequences.*

**Step 1: Select an option (please choose only one option)**

For more details, please see your Options Worksheet. As a reminder, you may have alternative options available to help mitigate the premium increase. For more information, please call John Hancock at **844-272-7842**.

COVERAGE CHANGE OPTIONS		New Premium Effective December 1, 2023
<input type="checkbox"/>	<b>Reduce your Benefit Period from 6-year to 3-year.</b>	<b>\$149.40 monthly</b>
<input type="checkbox"/>	<b>Reduce your Daily Benefit from \$200 to \$176.</b>	<b>\$156.81 monthly</b>
<input type="checkbox"/>	<b>Reduce your Benefit Period from 6-year to 5-year and Daily Benefit from \$200 to \$179.</b>	<b>\$156.27 monthly</b>
<input type="checkbox"/>	<b>Exercise the Nonforfeiture Benefit Option available on your policy.</b> Your policy will be converted to a paid-up status with a modified policy limit of \$50,000.	N/A
<input type="checkbox"/>	<b>Cancel your coverage.</b> This change will be effective immediately.	N/A

**Step 2: Review Agreement and Acknowledgement**

I understand that my benefits and premium for those benefits will change based upon the option(s) I select. I understand that premium rates are not guaranteed and may be increased again in the future if I am among the group of policyholders whose premiums are determined to be inadequate.

If I select an option(s) to change my coverage, I understand that, within 30 days of the date this change becomes effective, I may cancel the change in my coverage and return to my original coverage at the increased premium level.

I understand the policy change(s) I selected above. By signing below, I agree that any change(s) other than cancelling my policy, will be effective on my next policy anniversary provided this form is received by John Hancock by the election deadline indicated in this package.

Continued on next page



**Step 3: Sign and Date**

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**Signature (Jane Doe)**

---

**Date**

**Step 4: Return this completed form using the enclosed postage-paid envelope by November 1, 2023.**

**Mail**

John Hancock  
LTC Coverage Election  
P.O. Box 55978  
Boston, MA 02205-9723

**FAX**

John Hancock  
LTC Coverage Election  
877-606-7771

**EMAIL**

LTCforms@jhancock.com

Peter K. Burke  
Assistant Vice President  
Long-Term Care Insurance  
P.O. Box 55978  
Boston, Massachusetts 02205-9723



Jane Doe  
22 Main Street  
Anytown, VA 00000

September 1, 2020

Re: **Notice of Premium Rate Increase – Long-Term Care Insurance Policy No.99999999.**  
**Decision Required by November 1, 2020.**  
John Hancock Life Insurance Company (U.S.A.) (John Hancock)

Dear Jane Doe,

We are writing to let you know that the premium for your John Hancock long-term care insurance (LTCi) policy is increasing. This notice will provide you with:

- **Details** about the premium increase
- **Options** available to you to help keep your premiums at or near their current level
- **Next Steps** and the resources to help you decide how to manage the increase

### **About the Premium Increase**

John Hancock is committed to helping ensure LTCi benefits will be there when most needed. To uphold this responsibility, we continuously monitor the experience of our LTCi policies. Our most recent comprehensive claims study, which we generally conduct every three years, demonstrates lower than expected claim terminations during the elimination period. In short, we anticipate having to pay more claims in the future than previously expected. Based on that data, we have determined that there is a need to increase premiums on this policy series to reflect that future claims are expected to be significantly higher on these policies than originally expected or priced.

### **Your Premium Increase**

The approved rate increase is 30% for your policy. Based on your current benefit selections, your premiums will increase from \$245.98 to \$321.24, monthly. This new premium will be effective for premiums due on or after December 1, 2020. You may pay this higher premium or choose one of the options to help mitigate the increase. Please note this letter is not a bill.

It is important for you to know that:

- the rate increase request was reviewed by Virginia's State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings both pending and approved, filed with the Virginia Bureau of Insurance are available for review on their website: <https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx>
- no person has been singled out for an increase
- no increase is due to advancing age or changing health

We do want you to know that this premium rate increase only represents a portion of the total requested rate increase we filed with Virginia Bureau of Insurance. The Bureau reviewed our request and did not approve the full amount requested. We continue to believe the full amount of the rate increases requested were fully justified and will continue to seek additional rate increases on these policy forms until approved. This may result in higher ultimate rate increases than what we had originally requested in order to compensate for the delayed implementation. Due to this we feel it is important for you to know an additional increase may be coming in the future to help you make an informed decision about any changes you are considering making to your policy. **In addition, we completed a subsequent comprehensive claim study in 2022 which indicates that we will need to file for additional rate increases. As a result, we will be requesting further premium increases in the future.**

The decision to increase premiums on certain policies is based upon the future claims anticipated on these policies and has been made by John Hancock - not your insurance agent nor the Virginia Bureau of Insurance. As a reminder, per the terms of your policy, premium rates are not guaranteed and could be increased again in the future, at which time similar benefit reduction options may be available to you. However, please be advised that John Hancock will not apply any additional premium rate increase to your policy for at least 12 months from your policy anniversary date of December 1, 2020.

## Your Options

We understand that a premium increase may not be affordable for some. **Therefore, we are offering you options to help keep your premiums at or near their current level.** Please see the enclosed "Options Worksheet" for more information on these options that may help you mitigate the premium increase.

## Included in this Package

- **Options Worksheet** (pages 3-7) – provides details about your current coverage and the options you have to help mitigate the premium increase. **Please note that all the options available to you may not be of equal value. Please review this information carefully.**
- **Frequently Asked Questions** (page 8) – provides answers to some of the most common questions.
- **Coverage Change Request Form** (pages 9-10) – may be used to elect an option to help mitigate the increase.

## Next Steps

- We recommend that you review all options available to you (including paying the rate increase and any available benefit reduction options) and consult with your family members and other advisors to determine which option is appropriate for your needs.
- If you decide to reduce your coverage as outlined in the Options Worksheet, simply complete the "Coverage Change Request Form" and return it to John Hancock by **November 1, 2020**.
- If you choose to make no changes to your coverage, no action is required, and your new increased premium will become effective on **December 1, 2020**.

## Where to Get Help

- **Contact John Hancock** with any questions you may have. Please visit [www.jhinfocenter.com](http://www.jhinfocenter.com) or contact one of our customer service representatives at 844-272-7842, Monday through Friday from 8:00 a.m. – 6:00 p.m. Eastern Time. The TTY number for the hearing impaired is 800-555-5421. Our dedicated team is available to help you make a decision that best meets your personal needs.
- **You may contact your local State Health Insurance Assistance Program (SHIP)** if you need additional counseling on your options. Please go to [www.shiptacenter.org](http://www.shiptacenter.org) to find the SHIP location closest to you.

We sincerely regret having to take this action, but we hope you find that the options and resources provided are helpful.

Sincerely,



Peter K. Burke  
Assistant Vice President, Long-Term Care Operations

Enclosures:  
Options Worksheet  
Frequently Asked Questions  
Coverage Change Request Form

## YOUR OPTIONS SUMMARY

The table below shows:

- Your current premium and the new premium you will be charged if you keep your current coverage; and
- Options you have available to help mitigate the premium increase, including any impact the change would have on your coverage and the resulting premium, where applicable. Please also see page 6 for other options that may be available to you.

Please visit [www.jhinfocenter.com](http://www.jhinfocenter.com) for current **cost of care** information specific to your area. As you evaluate what is best for you, we encourage you to consider the current and projected cost of care in your area, as well as how much of that amount you are willing and able to pay from your own savings.

Current Coverage		Coverage Change Options				
	Accept Rate Increase <sup>1</sup>	Reduce your Annual Inflation Rate	Shared Cost Option	Reduce your DB <sup>4</sup>	Paid-up Policy <sup>7</sup>	Cancel your Coverage
Daily Benefit (DB) <sup>3</sup>	\$265	\$265 <sup>8</sup>	\$248.84	\$202.73	\$265	Cancel your coverage, effective immediately.
Benefit Period (BP)	3-year	3-year	3-year	3-year	N/A	
Inflation Option <sup>6</sup>	5% Compound	3.3% Compound	5% Compound	5% Compound	N/A	
Your Shared Cost Percentage	3%	N/A	6.1% <sup>2</sup>	N/A	N/A	
Elimination Period	90 Days					
Optional Riders	None					
Current Modal Premium	\$245.98					
New Monthly Premium <sup>5</sup>	\$321.54	\$245.98	\$245.98	\$245.98	N/A	

Note - certain benefit reduction options will reduce your overall policy limit. **Please contact John Hancock at 844-272-7842 for details on the impact these changes will have on your policy limit.** Please note that, as the insured, you have the right to a revised premium rate or rate schedule upon request.

<sup>1</sup>Assumes no recent changes in your current coverage.

<sup>2</sup>Represents your cumulative shared cost percentage after electing the current shared cost reduction offer of 3.1%. More details provided on the following page.

<sup>3</sup>DB is the most the coverage will reimburse for the costs of covered long-term care services received on any day.

<sup>4</sup>This reduction will also result in a reduction to your overall policy limit.

<sup>5</sup>As of September 1, 2020.

<sup>6</sup>A reduction to your future annual inflation rate will apply to your Daily Benefit and Policy Limit.

<sup>7</sup>You have the option to convert your policy to a paid-up status with a reduced policy limit. See page 6 for more details.

<sup>8</sup>Actual [daily/monthly] benefit amount may be slightly higher or lower due to rounding.

## YOUR OPTIONS

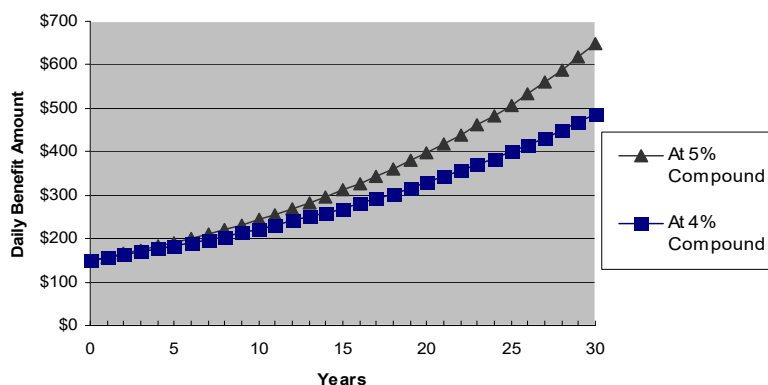
### Reduce your Future Annual Inflation Rate

To keep your premium at its current level we are offering you a one-time opportunity to reduce your future annual inflation rate from 5% compound to 3.3% compound. This change will only be applied to future inflation increases that occur after the rate increase effective date. All other existing benefits and previous inflation increases that have already been applied to your policy through the effective date of the inflation rate reduction will be maintained. **Note - the choice of a reduced inflation benefit may not be of equal value to your current benefit.**

Other options to help minimize the increase and retain your Partnership status may be available to you. For more information, please call John Hancock at 844-272-7842.

The graph below is an example of how a \$150 daily benefit amount increases over the next 30 years at 5% and 3.3% annually compounding rates. The chart to the right shows the national average annual increase over a five year period for the cost of care in various care settings. Please visit [www.jhinfocenter.com](http://www.jhinfocenter.com) for current cost of care information specific to your area.

How a \$150 Daily Benefit Increases Over Time with a 5% and a 4% Compound Inflation Increase



### Trends in the Cost of Care

#### Long-Term Care Setting

#### 5-Year Average Annual Increase

Nursing homes and adult day services	3.3%
Care of elderly at home	1.2%

The 5-year average annual increases are based on 2014 and 2019 index averages, series "Nursing homes and adult day services in U.S. city average, all urban consumers, not seasonally adjusted" and "Care of invalids and elderly at home in U.S. city average, all urban consumers, not seasonally adjusted". Data obtained from the Bureau of Labor Statistics of the U.S. Department of Labor at [www.bls.gov](http://www.bls.gov).



## YOUR OPTIONS

### Exercise the Shared Cost Option

We are also making available to you a one-time opportunity to keep your premium at its current level and elect a personalized Shared Cost option which would:

- **Reduce your current benefit amounts by Your Shared Cost percentage of 3.1%.** Choosing this option will result in a new daily benefit of \$248.84 and a reduction to your overall policy limit. Your new, overall Shared Cost percentage will be 6.1% Your new daily benefit amount will continue to grow at the rate of your automatic inflation coverage.

**AND**

- **Apply Your Shared Cost percentage to any future claim payments.** John Hancock will pay 93.9% of any covered services, but we will not pay more than the new daily benefit amount and the new policy limit. You will be responsible for the remaining portion of covered charges and all remaining costs.

The table below demonstrates the impact this change would have on three different claim examples after electing the 3% Shared Cost option, compared to a traditional daily benefit reduction. The examples reflect our payment amount under the Shared Cost Option and the DB Reduction Option when claim expenses are lower, are higher, and equal to your current daily benefit amount. Note – all amounts below are rounded to the nearest dollar for illustrative purposes.

	Example 1 \$200 Claim Submitted			Example 2 \$250 Claim Submitted			Example 3 \$300 Claim Submitted		
	Keep Current Coverage	DB Reduction Option	Shared Cost Option	Keep Current Coverage	DB Reduction Option	Shared Cost Option	Keep Current Coverage	DB Reduction Option	Shared Cost Option
<b>Daily Benefit</b>	\$265	\$203	\$257	\$265	\$203	\$257	\$265	\$203	\$257
<b>John Hancock's payment amount</b>	\$200	\$200	\$194	\$250	\$203	\$249	\$265	\$203	\$257
<b>Your payment amount</b>	\$0	\$0	\$6	\$0	\$47	\$1	\$35	\$97	\$43

Using example #3, let's look at how the Shared Cost amounts are determined (using rounded dollar amounts):

- Your existing \$265 daily benefit is reduced by 3% ( $\$265 - \$8 =$  your new daily benefit of \$257)
- You submit a claim for \$300
- John Hancock pays 97% of any covered service – but no more than your new daily benefit of \$257 ( $\$300 \times 97\% = \$291$ ; which is greater than your new daily benefit of \$257 – therefore your claim reimbursement from John Hancock = \$257)
- You are responsible for paying the remaining amount ( $\$300 - \$257 =$  your payment of \$43)

When compared to a traditional daily benefit reduction, the Shared Cost option allows you to retain a higher daily benefit and policy limit – for a similar annual premium (see page 3).

Please note – as shown in the examples above, the Shared Cost Option is a benefit reduction option and impacts the amount of out of pocket expenses you will pay for covered services. The Shared Cost Option will also reduce your overall policy limit.

### Reduce your Daily Benefit

Reduce your daily benefit from \$265.00 to \$202.73, resulting in a new monthly premium of \$245.98. Reducing your daily benefit will also reduce your overall policy limit. There will be no change to your other benefit levels.

## YOUR OPTIONS

### **Paid-Up Policy Option, resulting in a paid-up policy with reduced benefits**

If you choose to elect this option, your policy will be converted to a paid-up status with a modified policy limit where no further premiums are due. Your new policy limit will be \$50,000, which represents the lesser of your current policy limit and 150% of all premiums paid\* minus any benefits paid. By exercising this option, you may be significantly reducing your policy benefits, so you should give this careful consideration before you select it.

The following terms apply if you choose to exercise the Paid-Up Policy Option:

- No benefits will be paid in excess of your new policy limit.
- Benefits will be paid subject to your new policy limit and the daily/monthly benefit levels (and other coverage limits) in effect at the time you convert your policy to paid-up status.
- All optional benefit riders will automatically terminate as of the effective date of your paid-up status.
- No future inflation adjustments will be made.
- All other applicable policy provisions, conditions, and limitations will remain in effect.

\*Calculated based on benefit amounts and on premiums paid to date as of September 1, 2020. The actual Paid-Up Policy option amount may be slightly higher as it will be calculated based on current benefits and premiums paid to date or 30 times the daily nursing home benefit at the time of lapse, whichever is greater; but in no event will the sum of benefits exceed the maximum benefits which would be payable if the policy had remained in premium paying status.

### **Cancel your Coverage**

If you choose to cancel your coverage, no claim for a previous or future loss will be eligible for consideration under your terminated policy. This change will be effective immediately.

## YOUR OPTIONS

### Other Benefit Reduction Options

In addition, you may be eligible to reduce other benefits to help lower the premium increase. These benefits can be reduced upon your request at any time. For example, you may be eligible to:

- Reduce your benefit period\*
- Increase your elimination period

\* This reduction will also result in a decrease to your overall policy limit.

Please note - in certain instances the ability to reduce your benefits may not be available due to available plan options. In addition, certain changes are subject to Partnership regulatory benefit minimum requirements. For more information on these options as well as the new premium amounts, please call John Hancock at **844-272-7842**.

## IMPORTANT DATES

- ▶ If you choose an option listed on the enclosed Coverage Change Request Form, you must complete, sign and return the form by **November 1, 2020**.
- ▶ If you choose to make no changes to your coverage, no action is required. Your level of coverage will not change and your new increased premium will become effective on **December 1, 2020**.

**1. Why do you need to raise premium rates — can you explain further?**

When pricing a long-term care insurance product, insurance companies use the best available information at that time to predict how many policyholders might ultimately use the benefit in the future. This involves making certain assumptions about a variety of factors including: particular medical conditions; the expected lifespan of policyholders; the length of time policyholders keep their policies; and the cost of receiving long-term care services. If the actual experience differs in an unfavorable way from the expected experience based on these assumptions, a premium rate increase may become necessary.

Based on our most recent comprehensive claim study we anticipate having to pay more claims in the future than previously expected. More specifically, our claims study demonstrates lower than expected claim terminations during the elimination period and an updated view of future mortality and morbidity improvements, partially offset by favorable incidence as policyholders are filing claims at a lower rate than expected. Based on that data, we have determined that there is a need to increase premiums on certain policy series.

**2. What is the policy provision that allows you to raise my premiums?**

The provision that allows for an increase in premiums can be found on the front page of your policy. Your policy indicates that, while your insurance company cannot change coverage or refuse to renew coverage for reasons other than nonpayment of premiums, the company is allowed to change or increase premiums so long as the increase applies to an entire class of policies. We are required to file premium increases on policy series, along with actuarial justification, with the department of insurance in the state where the policy was purchased. We may only implement the rate increase once we are permitted to do so.

**3. Have I been singled out for this rate increase because of my age or health?**

No, the increase applies to everyone in the same rating class who purchased the same long-term care insurance product in the same state as you. No individual has been singled out for an increase, nor is the increase due to advancing age or changing health. Also, your state has not been singled out, as all states are included in our rate increase process.

**4. If I no longer live in the state where I purchased my policy, does the increase still apply?**

Yes. All LTCi policies are regulated by the original state in which they were written at the time of the purchase of the policy. That means that the state where you were residing when you purchased your policy continues to be the applicable state, even if you are now residing elsewhere.

**5. Do I need to complete and return the enclosed Coverage Change Request Form?**

The Coverage Change Request Form should only be used if you decide you want to adjust your benefits or cancel your policy. Otherwise, no action is necessary on your part, as the premium rate increase will take place automatically on the policy anniversary date specified in your letter.

**6. Will there be additional premium increases in the future?**

Premium rates are not guaranteed and may be increased in accordance with the terms of your policy. We will continue to monitor the claims experience to determine whether future increases will be necessary.

**7. If I pay premiums through online banking or an automatic draft plan and my premium is changing, is there any action I need to take?**

If you have an automatic draft plan established through John Hancock, no action is necessary, we will adjust the drafted amount. If you pay your premiums through online banking, please update your payment information with the new premium amount prior to the rate increase effective date.

**COVERAGE CHANGE REQUEST FORM**  
**Individual LTC Insurance Policy for Jane Doe**  
**Policy # 99999999**  
**John Hancock Life Insurance Company (U.S.A.)**



If you choose to make no changes to your current coverage, no action is required and your new increased premium will be effective on **December 1, 2020**.

If you choose to change your coverage, you must select an option listed below, sign and return this Coverage Change Request Form by **November 1, 2020**.

*Before choosing any tax qualified long-term care policy option, we recommend that you review the option with a qualified tax professional or attorney to determine which option is best for you and to consider potential individual income tax consequences.*

**Step 1: Select an option (please choose only one option)**

For more details, please see your Options Worksheet. As a reminder, you may have additional options available to help mitigate the premium increase. For more information, please call John Hancock at **844-272-7842**. One of our Customer Service Representatives can discuss the impact of any change to your policy, and provide you with new premium amounts.

COVERAGE CHANGE OPTIONS	
<input type="checkbox"/>	<b>Reduce your future annual inflation rate from 5% to 3.3%.</b> * This option will keep your premium at its current level.
<input type="checkbox"/>	<b>Exercise the Shared Cost Option of 3%</b> resulting in a new daily benefit of \$257 and a reduction to your overall policy limit. Your new, overall Shared Cost percentage will be 6.1%. John Hancock will pay 1-97% of any covered services, but we will not pay more than the new daily benefit amount and the new policy limit. This option will keep your premium at its current level.
<input type="checkbox"/>	<b>Reduce your daily benefit from \$265 to \$202.73.</b> This will result in a reduction to your overall policy limit. Your new monthly premium will be \$245.98.
<input type="checkbox"/>	<b>Paid-Up Policy Option available on your policy.</b> Your policy will be converted to a paid-up status with a modified policy limit of \$50,000.
<input type="checkbox"/>	<b>Cancel your coverage.</b> This change will be effective immediately.

Other options to help minimize the increase and retain your Partnership status may be available to you. For more information, please call John Hancock at 888-654-6582.

**Step 2: Review Agreement and Acknowledgement**

I understand that my benefits and premium for those benefits will change based upon the option(s) I select. I understand that premium rates are not guaranteed and may be increased again in the future if I am among the group of policyholders whose premiums are determined to be inadequate.

If I select an option(s) to change my coverage, I understand that, within 30 days of the date this change becomes effective, I may cancel the change in my coverage and return to my original coverage at the increased premium level.

I understand the policy change(s) I selected above. By signing below, I agree that any change(s) other than cancelling my policy, will be effective on my next policy anniversary provided this form is received by John Hancock by the election deadline indicated in this package.

Continued on next page



**Step 3: Sign and Date**

\_\_\_\_\_  
**Signature (Jane Doe)**

\_\_\_\_\_  
**Date**

**Step 4: Return this completed form using the enclosed postage-paid envelope by November 1, 2020.**

**Mail**

John Hancock  
LTC Coverage Election  
P.O. Box 55978  
Boston, MA 02205-9723

**FAX**

John Hancock  
LTC Coverage Election  
877-6060-7771

**EMAIL**

LTCforms@jhancock.com

## **Statement of Variability – VA JH policyholders eligible for reduced inflation option**

### **Form - JHLTC-8470 POLICYHOLDER COVER LETTER**

#### Page 1: Policyholder Cover Letter

- [Peter K. Burke, Assistant Vice President] This may vary due to any personnel or title change.
- Contact Information and Date will vary based on the policyholder and date mailed.

[First Name] [Last Name] [Date]

[Address1]

[Address2]

[City], [State] [Zip]

- Policy Number [xxx] will vary to reflect each policyholder's unique policy number.
- **"Decision required by [date]"** will be equal to one month prior to the effective date of the rate increase.
- Name will vary based on the policyholder.  
[First Name] [Last Name]
- "The approved rate increase is [XX]% for your policy.... from [current premium] to [new premium], [policy mode]. This new premium will be effective for premiums due on or after [next policy anniversary]." Current premium, new premium, policy mode, and next policy anniversary will vary based on each policyholder's premiums, billing mode and policy anniversary date.
- "We do want you to know that this premium rate increase only represents a portion of the total requested rate increase we filed with Virginia Bureau of Insurance. The Bureau reviewed our request and did not approve the full amount requested. We continue to believe the full amount of the rate increases requested were fully justified and will continue to seek additional rate increases on these policy forms until approved. This may result in higher ultimate rate increases than what we had originally requested in order to compensate for the delayed implementation. Due to this we feel it is important for you to know an additional increase may be coming in the future to help you make an informed decision about any changes you are considering making to your policy." Paragraph will be included if policyholder is not receiving the full rate increase filed for approval.
- "[In addition,] [We do want you to know]" Lead in will be different based the approval of the rate increase (Capped or Full increase) "we completed a subsequent comprehensive claim study in 2022 which indicates that we will need to file for additional rate increases. As a result, we will be requesting further premium increases in the future. " Paragraph will be included for when policyholder may be subject to a subsequent increase.
- "...for at least 12 months from your policy anniversary date of [next policy anniversary]." Next policy anniversary will vary based on the policyholder's anniversary date
- Page 1 of [X] The total number of pages in this package may vary due to required content.

#### Page 2: Policyholder Cover Letter

- The following page number descriptions are bracketed in the event the total number of pages varies due to required content:
  - ...(pages [3-7])
  - (page [8])
  - (pages [9-10])

- ..... and return it to John Hancock by **[Month XX, YYYY]** Date will vary based on the election deadline date.
- . . and your new increased premium will become effective on **[Month XX, YYYY]** Date will vary based on rate increase effective date
- ... contact one of our customer service representatives at [844-272-7842]. Phone number may vary based on firm of servicing agent on record.
- [Signature & Peter K. Burke, Assistant Vice President, Long-Term Care Operations] Signatory may vary due to any personnel or title change.
- Page 2 of [X] The total number of pages in this package may vary due to required content.

### **Form – JHLTC - 8471 POLICYHOLDER OPTIONS WORKSHEET**

#### **Page 3: Options Summary**

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.
- The options summary table on page 3 will vary based on the policyholder's current benefits, the coverage change options available to the policyholder and the associated premiums and policy mode. Daily Benefit or Monthly Benefit will be used depending on the type of benefit structure the policyholder has. Policy mode refers to the billing mode of the policyholder (monthly, quarterly, semi-annually, annually).
  - Benefit Period values can range from a minimum of 1-year to a maximum of Lifetime.
  - Inflation Option values can range from a minimum of 0.3% to a maximum of 5%
  - Shared Cost percentage values can range from a minimum of 0% to a maximum of 100%

Current Coverage		Coverage Change Options				
	Accept Rate Increase <sup>1</sup>	Reduce your Annual Inflation Rate	[Shared Cost Option]	[Reduce your [DB] <sup>4</sup> ]	[Paid-up Policy/Contingent Benefit Upon Lapse/Nonforfeiture Benefit <sup>7</sup> ]	[Cancel your Coverage]
[Daily] Benefit [(DB)] <sup>3</sup>	\$(XXX)	\$(XXX)	\$(XXX)	\$(XXX)	\$(XXX)	Cancel your coverage, effective immediately.
Benefit Period (BP)	[X]-year	[X]-year	[X]-year	[X]-year	N/A	
Inflation Option <sup>6</sup>	[X]% [Compound]	[X]% [Compound]	[X]% [Compound]	[X]% [Compound]	N/A	
[Shared Cost Feature]	No	No	Yes <sup>2</sup>	No	No	
[Your Shared Cost Percentage]	[XX%]	[XX%]	[XX% <sup>2</sup> ]	[XX%]	[XX%]	



Elimination Period	[XX] Days					
Optional Riders	[List Riders]					
Current [Modal] Premium	[\$XXX]					
<b>New [Modal] Premium<sup>5</sup></b>	<b>[\$XXX]</b>	<b>[\$XXX]</b>	<b>[\$XXX]</b>	<b>[\$XXX]</b>	<b>N/A</b>	

- **[844-272-7842]**. Phone number may vary based on firm of servicing agent on record.
- [Important: Your policy includes a "Limited Pay" premium provision. Please consider the number of remaining payments on your policy before making the decision to reduce your benefits.] This statement will be used when the policyholder has a limited pay option.
- Footnote 2:
  - The following will display if the policyholder has elected a prior Shared Cost offer. [XX%] in table represents the cumulative Shared Cost offer:  
Represents your cumulative shared cost percentage after electing the current shared cost reduction offer of [XX%]. More details provided on the following page.
  - The following will display if the policyholder has not elected a prior Shared Cost offer.  
[XX%] represents the Shared Cost percentage being offered to the policyholder:  
[Your Shared Cost percentage would be [XX]%. This change will also result in a reduction to your overall policy limit. See page 5 for more details on this option.]
- Footnote 3: [DB/MB]. . . [any day/in any month] will vary based on whether the policyholder has a daily or monthly benefit. [next policy anniversary] will vary based on policyholder's anniversary date. The following statement will display if the policyholder has had prior claim activity on their policy: [Note: our records indicate there is claim activity on your policy; please consider your current policy limit before making the decision to reduce your benefits.]  
The following statement will display if the policyholder has had prior claim activity on their policy and their coverage includes the restoration of benefits optional rider:  
[You may also want to review the restoration of benefits provision in your policy before making your decision.]
- Footnote 5: [Month XX, YYYY] will vary based on the rate increase effective date.
- Footnote 6: [Daily/Monthly] will vary based on whether the policyholder has a daily or monthly benefit. Footnote will appear for policyholders who have different inflation rates for their benefit amount increase versus their policy limit.
- Footnote 7: This footnote will display if the policyholder is eligible for the Nonforfeiture Benefit, Contingent Benefit Upon Lapse, or the Paid-Up Policy Option.
- Footnote 8: Footnote will only display if the policyholder has previously elected a Shared Cost offer. [daily/monthly] will vary based on whether the policyholder has a daily or monthly benefit.
- Page 3 of [X] The total number of pages in this package may vary due to required content.

#### **Form – JHLTC - 8471 POLICYHOLDER OPTIONS WORKSHEET (continued)**

##### Page 4: Options

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

## Reduce your Future Annual Inflation Rate

- To keep your premium at its current level we are offering you a one-time opportunity to reduce your future annual inflation rate from [X%] [compound/simple] to [Y%] [compound/simple]. [X%] will vary based on policyholder's current inflation. [Y%] will vary based on policyholder's reduced annual inflation option. [compound/simple] will vary based on policyholder's inflation type.
- **[Important: Reducing your future annual inflation rate will result in the loss of Partnership status...** For more information, please call John Hancock at [844-272-7842].] This text will appear if accepting the reduced inflation landing spot will result in a loss of Partnership status. Phone number may vary based on the firm of the servicing agent on record.
- [5%] will vary based on policyholder's current inflation. [4%] will vary based on policyholder's landing spot option. 5% and 4% are used as visual placeholders for the chart to the left below.
- [Annually compounding rates] is used for policyholders with compound inflation and [simple annual increases] is used for policyholders with simple inflation.
- The chart to the left will vary based on the policyholder's current inflation type and reduced inflation option.
- The chart to the right shows the nation average annual increase over the past [five] years . . . [5]-Year Average Annual Increase. [3.2%] [1.2%]. These could vary based on changes in the national average in subsequent years.
- [The 5-year average annual increases are based on 2014 and 2019 index averages, series "Nursing homes and adult day services in U.S. city average, all urban consumers, not seasonally adjusted" and "Care of invalids and elderly at home in U.S. city average, all urban consumers, not seasonally adjusted". Data obtained from the Bureau of Labor Statistics of the U.S. Department of Labor at [www.bls.gov](http://www.bls.gov).] This could vary based on possible changes in future Costs of Care surveys.
- Page 4 of [X] The total number of pages in this package may vary due to required content.

## **Form – JHLTC - 8471 POLICYHOLDER OPTIONS WORKSHEET (continued)**

### Page 5: Options

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

## **Exercise the Shared Cost Option**

- **Reduce your current benefit amounts by Your Shared Cost percentage of [XX%].** Choosing this option will result in a new daily benefit of \$[XXX] and a reduction to your overall policy limit. [Your new, overall Shared Cost percentage will be [XX%].] Your new [daily/monthly] benefit amount will continue to grow at the rate of your automatic inflation coverage.

[XX%] will display the policyholder's offered shared cost landing spot. [daily/monthly] benefit will vary based on whether the policyholder has a daily or monthly benefit. \$[XXX] will display the policyholder's new daily/monthly benefit.

[Your new overall Shared Cost percentage will be [XX%]. This statement will display only if the policyholder has previously elected a Shared Cost offer. [XX%] will display the policyholder's cumulative Shared Cost percentage if elected.

- **Apply Your Shared Cost percentage to any future claim payments.** John Hancock will pay [1-XX%] of any covered services, but we will not pay more than the new [daily/monthly] benefit amount and the new policy limit. You will be responsible for the remaining portion of covered charges and all remaining costs.

[1-XX%] represents John Hancock's Shared Cost percentage. [daily/monthly] will vary based on whether the policyholder has a daily or monthly benefit.

- The table below demonstrates the impact this change would have on three different claim examples after electing the [XX]% Shared Cost option[, compared to a traditional daily benefit reduction] The examples reflect our payment amount under the Shared Cost Option[ and the [DB/MB] Reduction Option] when claim expenses are lower, are higher, and equal to your current daily benefit amount. Note – all amounts below are rounded to the nearest dollar for illustrative purposes.

[XX%] represents the policyholder's offered Shared Cost percentage.

[, compared to a traditional [daily] benefit reduction] will be inserted if the policyholder is being offered a daily/monthly benefit reduction. [daily] will vary based on whether the policyholder has a daily or monthly benefit.

[ and the [DB/MB] Reduction Option] will display if the policyholder is being offered a daily/monthly benefit reduction. DB/MB will vary based on whether the policyholder has a daily or monthly benefit.

Example 1 \$[XXX] Claim Submitted				Example 2 \$[XXX] Claim Submitted			Example 3 \$[XXX] Claim Submitted		
	Keep Current Coverage	[DB] Reduction Option	Shared Cost Option	Keep Current Coverage	[DB] Reduction Option	Shared Cost Option	Keep Current Coverage	[DB] Reduction Option	Shared Cost Option
<b>Daily Benefit</b>	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]
<b>John Hancock's payment amount</b>	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]
<b>Your payment amount</b>	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]

Using example #3, let's look at how the Shared Cost amounts are determined (using rounded dollar amounts):

- Your existing \$[XXX] [daily] benefit is reduced by [XX]% ( $\$[XXX] - \$[XXX] =$  your new [daily] benefit of \$[XXX])
- You submit a claim for \$[XXX]
- John Hancock pays [XX]% of any covered service – but no more than your new [daily] benefit of \$[XXX]  
( $\$[XXX] \times [XX]\% = \$[XXX]$ ; which is greater than your new [daily] benefit of \$[XXX] – therefore your claim reimbursement from John Hancock = \$[XXX])
- You are responsible for paying the remaining amount ( $\$[XXX] - \$[XXX] =$  your payment of \$[XXX])

[When compared to a traditional [daily] benefit reduction, the Shared Cost option allows you to retain a higher daily benefit and policy limit – for a similar annual premium (see page 3).]

The values in the table and bullet points above will vary based on the policyholder's individual benefits, Shared Cost offer, and daily/monthly benefit reduction.

### [Reduce your [Daily/Monthly] Benefit]

This option will only appear if the policyholder has a quoted daily/monthly benefit reduction option available.

- [Daily/Monthly] will vary based on whether the policyholder has a daily or monthly benefit

- Reduce your [daily/monthly] benefit from \$[xxx] to \$[yyy], resulting in a new [modal] premium of \$[XXX]. Reducing your [daily/monthly] benefit will also reduce your overall policy limit. [daily/monthly] will vary based on whether the policyholder has a daily or monthly benefit. \$[xxx] will display the policyholder's current daily or monthly benefit. \$[yyy] will display the policyholder's reduced daily or monthly benefit option. [modal] will vary based on the billing mode of the policyholder. \$[XXX] will display the premium amount based on the benefit reduction option.
- Page 5 of [X] The total number of pages in this package may vary due to required content.

## **Form – JHLTC - 8471 POLICYHOLDER OPTIONS WORKSHEET (continued)**

### **Page 6: Options**

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

### **[Exercise the [Contingent Benefit Upon Lapse/Nonforfeiture Benefit], resulting in a paid-up policy with reduced benefits]**

[Contingent Benefit Upon Lapse/Nonforfeiture Benefit] [Paid-Up Policy Option] will vary based on the policyholder's eligibility and the most favorable option available to the policyholder. The following will display if the policyholder purchased the Nonforfeiture Benefit.

The following will display if the policyholder purchased the Nonforfeiture Benefit.

[Your policy includes a Nonforfeiture Benefit. This benefit allows you to stop paying premiums and receive a paid-up policy with reduced benefits. By exercising this option, no further premiums are due. However, you will be significantly reducing your policy benefits. Therefore, you should give this careful consideration before you select it.

The following will display if the policyholder is eligible for the Contingent Benefit Upon Lapse based on the standard Virginia regulation triggers and is a more favorable option. The bracketed text will be the policyholder's next policy anniversary date and new policy limit.

[If you choose to cancel your policy within 120 days of [next policy anniversary date], we will modify your policy limit and convert your policy to paid-up status where no further premiums are due. Your new policy limit will be [\$XXXX], which represents the sum of all premiums paid.\* By exercising this option, you will be significantly reducing your policy benefits. Therefore, you should give this careful consideration before you select it.]

The following will display if the policyholder is eligible for the Paid-Up Policy option and is a more favorable option. The bracketed text will be the policyholder's new policy limit.

[If you choose to elect this option, your policy will be converted to a paid-up status with a modified policy limit where no further premiums are due. Your new policy limit will be \$[XX,XXX], which represents the lesser of your current policy limit and 150% of all premiums paid\* minus any benefits paid. By exercising this option,

you may be significantly reducing your policy benefits, so you should give this careful consideration before you select it.]

The following terms apply if you choose to exercise the [Contingent Benefit Upon Lapse] [Nonforfeiture Benefit] [Paid-Up Policy Option]:

- No benefits will be paid in excess of your new policy limit.
- Benefits will be paid subject to your new policy limit and the daily/monthly benefit levels (and other coverage limits) in effect at the time you convert your policy to paid-up status.
- All optional benefit riders will automatically terminate as of the effective date of your paid-up status.
- No future inflation adjustments will be made.
- All other applicable policy provisions, conditions, and limitations will remain in effect.

The following footnote is displayed if the Contingent Benefit Upon Lapse or Paid-Up Policy Option is triggered:

[\*Calculated based on benefit amounts and on premiums paid to date as of [file extract date]. The actual [Contingent Benefit Upon Lapse][Paid-Up Policy option] amount may be slightly higher as it will be calculated based on current benefits and premiums paid to date or 30 times the daily nursing home benefit at the time of lapse, whichever is greater; but in no event will the sum of benefits exceed the maximum benefits which would be payable if the policy had remained in premium paying status.]

The "file extract date" is the date that the mailing extract was created.

### **[Cancel your Coverage]**

If you choose to cancel your coverage, no claim for a previous or future loss will be eligible for consideration under your terminated policy. This change will be effective immediately.]

This option will only display if the policyholder is not eligible for the Nonforfeiture Benefit, Contingent Benefit Upon Lapse or Paid-Up Policy option.

- Page 6 of [X] The total number of pages in this package may vary due to required content.

## **Form – JHLTC - 8471 POLICYHOLDER OPTIONS WORKSHEET (continued)**

### **Page 7: Options**

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

### **[Other Benefit Reduction Options]**

This section represents a scenario when the policyholder is eligible for alternative personalized options.

- "daily" or "monthly" will populate "Reduce your current[daily/monthly] benefit". This option will only display if the policyholder was not offered a quoted daily/monthly benefit reduction in the prior pages.
- "Reduce your benefit period\*" will only show if the policyholder does not currently have the minimum benefit period available for the product.
- "Increase your elimination period" will only show if the policyholder does not currently have the maximum elimination period available for the product.
- "Drop an optional rider" will only show if the policyholder has one or more optional riders on their policy.

- [\* This reduction will also result in a corresponding decrease in your Total Policy Limit.] This will be inserted when the policyholder is not offered a quoted daily/monthly benefit reduction or if the policyholder does not currently have the minimum benefit period available for the product.
- [In addition, certain changes are subject to Partnership regulatory benefit minimum requirements] This will be inserted for policyholders whose policies are partnership-certified.
- The following will be used only when the policy includes a limit payment option:  
[Your policy includes a "Limited Pay" payment option. Please consider the number of remaining payments on your policy before making the decision to reduce your benefits.]
- .... please call John Hancock at [844-272-7842]. Phone number may vary based on firm of servicing agent on record.

### **Important Dates**

- ...return form by [Month XX, YYYY]. Date will vary based on the election deadline date.
- .... and your new increased premium will become effective on [Month XX, YYYY]. Date will vary based on rate increase effective date
- Page 7 of [X] The total number of pages in this package may vary due to required content.

### **Form – JHLTC - 8472 FREQUENTLY ASKED QUESTIONS**

#### **Page 8:**

- Page 8 of [X] The total number of pages in this package may vary due to required content.

### **Form – JHLTC – 8473 - COVERAGE CHANGE REQUEST FORM**

#### **Page 9:**

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.
- ... and your new increased premium will be effective on [Month XX, YYYY]. Date will vary based on rate increase effective date
- ...return this Coverage Change Request Form by [Month XX, YYYY]. Date will vary based on the election deadline date.

### **Step 1: Select an option (please choose only one option)**

- [In some instances, certain changes are subject to Partnership regulatory benefit minimum requirements and may result in a loss of Partnership status]. This will be inserted for policyholders whose policies are partnership-certified and will not lose Partnership status by accepting the reduced inflation landing spot.
- .... please call John Hancock at [844-272-7842]. Phone number may vary based on firm of servicing agent on record.

## Coverage Change Options

In the following option, [X%] will represent the policyholder's current inflation type, and [Y%] will represent the reduced inflation option available. Values can range from a minimum of 0.3% to a maximum of 5%. The asterisk will display if the policyholder is offered an inflation landing spot that would result in the loss of Partnership status.

<input type="checkbox"/>	<b>Reduce your future annual inflation rate from [X%] to [Y%].[*]</b>
--------------------------	---

In the following option, [XX%] will display the policyholder's Shared Cost option. [daily] will vary based on whether the policyholder has a daily or monthly benefit.

[Your new, overall Shared Cost percentage will be [XX%]. This statement will display if the policyholder has previously elected a Shared Cost offer. [XX%] will display the policyholder's cumulative Shared Cost percentage.

[1-XX%] will display John Hancock's Shared Cost percentage.

[daily/monthly] will vary based on whether the policyholder has a monthly or daily benefit.

Shared Cost percentage values can range from 0% to 100%.

<input type="checkbox"/>	<b>Exercise the Shared Cost Option of [XX%]</b> resulting in a new [daily] benefit of \$[XXX] and a reduction to your overall policy limit. [Your new, overall Shared Cost percentage will be [XX%].] John Hancock will pay [1-XX%] of any covered services, but we will not pay more than the new [daily/monthly] benefit amount and the new policy limit. This option will keep your premium at its current level.
--------------------------	--

The following option will only display if the policyholder has a quoted daily or monthly benefit reduction option available. [daily/monthly] will vary based on whether the policyholder has a monthly or daily benefit. \$[XXX] will represent the policyholders current daily/monthly benefit. \$[YYY] will represent the policyholder's benefit reduction option. [modal] will vary based on the policyholder's billing mode. \$[XXX.XX] will represent the policyholder's new premium if this option is selected. Benefit Period values can range from a minimum of 1-year to a maximum of Lifetime.

<input type="checkbox"/>	<b>[Reduce your [daily/monthly] benefit from \$[XXX] to \$[YYY].</b> This will result in a reduction to your overall policy limit. Your new [modal] premium will be \$[XXX.XX]
--------------------------	--

In the following option, Contingent Benefit Upon Lapse will display if the policyholder is eligible for the Contingent Benefit Upon Lapse, based on standard Virginia regulations triggers, and did not purchase the Nonforfeiture Benefit. Nonforfeiture Benefit will display if the policyholder purchased the optional Nonforfeiture Benefit. \$[XXXX] will display the new policy limit.

<input type="checkbox"/>	<b>[Exercise the [Contingent Benefit Upon Lapse][Nonforfeiture Benefit][Paid-Up Policy Option] available on your policy.</b> Your policy will be converted to a paid-up status with a modified policy limit of \$[XXXX].
--------------------------	--

The following option will only display if the policyholder is not eligible for any of the options above.

<input type="checkbox"/>	<b>[Cancel your coverage.</b> This change will be effective immediately.]
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- **[\*Important: Reducing your future annual inflation rate will result in the loss of Partnership status...]** This text will appear if accepting the reduced inflation landing spot will result in a loss of Partnership status.

**Form – JHLTC – 8473 - COVERAGE CHANGE REQUEST FORM**

Page 10:

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

**Step 3: Sign and Date**

**Signature ([First Name] [Last Name])**

Date

Name will vary based on the policyholder.

**Step 4: Return this completed form . . . by [Month XX, YYYY]** Date will vary based on the election deadline date.

The following information is bracketed in the event of a contact change:

**[Mail**

John Hancock  
LTC Coverage Election  
P.O. Box 55978  
Boston, MA 02205-9723

**Fax**

John Hancock  
LTC Coverage Election  
877-606-7771

**Email**

LTCforms@jhancock.com]

- Page 10 of [X] The total number of pages in this package may vary due to required content.



## **Statement of Variability – VA JH policyholders eligible for reduced inflation option**

### **Form - JHLTC-8470 POLICYHOLDER COVER LETTER**

#### Page 1: Policyholder Cover Letter

- [Peter K. Burke, Assistant Vice President] This may vary due to any personnel or title change.
- Contact Information and Date will vary based on the policyholder and date mailed.

[First Name] [Last Name] [Date]

[Address1]

[Address2]

[City], [State] [Zip]

- Policy Number [xxx] will vary to reflect each policyholder's unique policy number.
- **"Decision required by [date]"** will be equal to one month prior to the effective date of the rate increase.
- Name will vary based on the policyholder.  
[First Name] [Last Name]
- "The approved rate increase is [XX]% for your policy.... from [current premium] to [new premium], [policy mode]. This new premium will be effective for premiums due on or after [next policy anniversary]." Current premium, new premium, policy mode, and next policy anniversary will vary based on each policyholder's premiums, billing mode and policy anniversary date.
- "We do want you to know that this premium rate increase only represents a portion of the total requested rate increase we filed with Virginia Bureau of Insurance. The Bureau reviewed our request and did not approve the full amount requested. We continue to believe the full amount of the rate increases requested were fully justified and will continue to seek additional rate increases on these policy forms until approved. This may result in higher ultimate rate increases than what we had originally requested in order to compensate for the delayed implementation. Due to this we feel it is important for you to know an additional increase may be coming in the future to help you make an informed decision about any changes you are considering making to your policy." Paragraph will be included if policyholder is not receiving the full rate increase filed for approval.
- "[In addition,] [We do want you to know]" Lead in will be different based the approval of the rate increase (Capped or Full increase) "we completed a subsequent comprehensive claim study in 2022 which indicates that we will need to file for additional rate increases. As a result, we will be requesting further premium increases in the future. " Paragraph will be included for when policyholder may be subject to a subsequent increase.
- "...for at least 12 months from your policy anniversary date of [next policy anniversary]." Next policy anniversary will vary based on the policyholder's anniversary date
- Page 1 of [X] The total number of pages in this package may vary due to required content.

#### Page 2: Policyholder Cover Letter

- The following page number descriptions are bracketed in the event the total number of pages varies due to required content:
  - ...(pages [3-7])
  - (page [8])
  - (pages [9-10])

- ..... and return it to John Hancock by **[Month XX, YYYY]** Date will vary based on the election deadline date.
- . . and your new increased premium will become effective on **[Month XX, YYYY]** Date will vary based on rate increase effective date
- ... contact one of our customer service representatives at [844-272-7842]. Phone number may vary based on firm of servicing agent on record.
- [Signature & Peter K. Burke, Assistant Vice President, Long-Term Care Operations] Signatory may vary due to any personnel or title change.
- Page 2 of [X] The total number of pages in this package may vary due to required content.

## **Form – JHLTC - 8471 POLICYHOLDER OPTIONS WORKSHEET**

### Page 3: Options Summary

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.
- The options summary table on page 3 will vary based on the policyholder's current benefits, the coverage change options available to the policyholder and the associated premiums and policy mode. Daily Benefit or Monthly Benefit will be used depending on the type of benefit structure the policyholder has. Policy mode refers to the billing mode of the policyholder (monthly, quarterly, semi-annually, annually).
  - Benefit Period values can range from a minimum of 1-year to a maximum of Lifetime.
  - Inflation Option values can range from a minimum of 0.3% to a maximum of 5%
  - Shared Cost percentage values can range from a minimum of 0% to a maximum of 100%

Current Coverage		Coverage Change Options				
	Accept Rate Increase <sup>1</sup>	Reduce your Annual Inflation Rate	[Shared Cost Option]	[Reduce your [DB] <sup>4</sup> ]	[Paid-up Policy/Contingent Benefit Upon Lapse/Nonforfeiture Benefit <sup>7</sup> ]	[Cancel your Coverage]
[Daily] Benefit [(DB)] <sup>3</sup>	\$(XXX)	\$(XXX)	\$(XXX)	\$(XXX)	\$(XXX)	Cancel your coverage, effective immediately.
Benefit Period (BP)	[X]-year	[X]-year	[X]-year	[X]-year	N/A	
Inflation Option <sup>6</sup>	[X]% [Compound]	[X]% [Compound]	[X]% [Compound]	[X]% [Compound]	N/A	
[Shared Cost Feature]	No	No	Yes <sup>2</sup>	No	No	
[Your Shared Cost Percentage]	[XX%]	[XX%]	[XX% <sup>2</sup> ]	[XX%]	[XX%]	

Elimination Period	[XX] Days					
Optional Riders	[List Riders]					
Current [Modal] Premium	[\$XXX]					
<b>New [Modal] Premium<sup>5</sup></b>	<b>[\$XXX]</b>	<b>[\$XXX]</b>	<b>[\$XXX]</b>	<b>[\$XXX]</b>	<b>N/A</b>	

- **[844-272-7842]**. Phone number may vary based on firm of servicing agent on record.
- [Important: Your policy includes a "Limited Pay" premium provision. Please consider the number of remaining payments on your policy before making the decision to reduce your benefits.] This statement will be used when the policyholder has a limited pay option.
- Footnote 2:
  - The following will display if the policyholder has elected a prior Shared Cost offer. [XX%] in table represents the cumulative Shared Cost offer:  
Represents your cumulative shared cost percentage after electing the current shared cost reduction offer of [XX%]. More details provided on the following page.
  - The following will display if the policyholder has not elected a prior Shared Cost offer.  
[XX%] represents the Shared Cost percentage being offered to the policyholder:  
[Your Shared Cost percentage would be [XX]%. This change will also result in a reduction to your overall policy limit. See page 5 for more details on this option.]
- Footnote 3: [DB/MB]. . . [any day/in any month] will vary based on whether the policyholder has a daily or monthly benefit. [next policy anniversary] will vary based on policyholder's anniversary date. The following statement will display if the policyholder has had prior claim activity on their policy: [Note: our records indicate there is claim activity on your policy; please consider your current policy limit before making the decision to reduce your benefits.]  
The following statement will display if the policyholder has had prior claim activity on their policy and their coverage includes the restoration of benefits optional rider:  
[You may also want to review the restoration of benefits provision in your policy before making your decision.]
- Footnote 5: [Month XX, YYYY] will vary based on the rate increase effective date.
- Footnote 6: [Daily/Monthly] will vary based on whether the policyholder has a daily or monthly benefit. Footnote will appear for policyholders who have different inflation rates for their benefit amount increase versus their policy limit.
- Footnote 7: This footnote will display if the policyholder is eligible for the Nonforfeiture Benefit, Contingent Benefit Upon Lapse, or the Paid-Up Policy Option.
- Footnote 8: Footnote will only display if the policyholder has previously elected a Shared Cost offer. [daily/monthly] will vary based on whether the policyholder has a daily or monthly benefit.
- Page 3 of [X] The total number of pages in this package may vary due to required content.

#### **Form – JHLTC - 8471 POLICYHOLDER OPTIONS WORKSHEET (continued)**

##### Page 4: Options

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

## Reduce your Future Annual Inflation Rate

- To keep your premium at its current level we are offering you a one-time opportunity to reduce your future annual inflation rate from [X%] [compound/simple] to [Y%] [compound/simple]. [X%] will vary based on policyholder's current inflation. [Y%] will vary based on policyholder's reduced annual inflation option. [compound/simple] will vary based on policyholder's inflation type.
- **[Important: Reducing your future annual inflation rate will result in the loss of Partnership status...** For more information, please call John Hancock at [844-272-7842].] This text will appear if accepting the reduced inflation landing spot will result in a loss of Partnership status. Phone number may vary based on the firm of the servicing agent on record.
- [5%] will vary based on policyholder's current inflation. [4%] will vary based on policyholder's landing spot option. 5% and 4% are used as visual placeholders for the chart to the left below.
- [Annually compounding rates] is used for policyholders with compound inflation and [simple annual increases] is used for policyholders with simple inflation.
- The chart to the left will vary based on the policyholder's current inflation type and reduced inflation option.
- The chart to the right shows the nation average annual increase over the past [five] years . . . [5]-Year Average Annual Increase. [3.2%] [1.2%]. These could vary based on changes in the national average in subsequent years.
- [The 5-year average annual increases are based on 2014 and 2019 index averages, series "Nursing homes and adult day services in U.S. city average, all urban consumers, not seasonally adjusted" and "Care of invalids and elderly at home in U.S. city average, all urban consumers, not seasonally adjusted". Data obtained from the Bureau of Labor Statistics of the U.S. Department of Labor at [www.bls.gov](http://www.bls.gov).] This could vary based on possible changes in future Costs of Care surveys.
- Page 4 of [X] The total number of pages in this package may vary due to required content.

## **Form – JHLTC - 8471 POLICYHOLDER OPTIONS WORKSHEET (continued)**

### Page 5: Options

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

## **Exercise the Shared Cost Option**

- **Reduce your current benefit amounts by Your Shared Cost percentage of [XX%].** Choosing this option will result in a new daily benefit of \$[XXX] and a reduction to your overall policy limit. [Your new, overall Shared Cost percentage will be [XX%].] Your new [daily/monthly] benefit amount will continue to grow at the rate of your automatic inflation coverage.

[XX%] will display the policyholder's offered shared cost landing spot. [daily/monthly] benefit will vary based on whether the policyholder has a daily or monthly benefit. \$[XXX] will display the policyholder's new daily/monthly benefit.

[Your new overall Shared Cost percentage will be [XX%]. This statement will display only if the policyholder has previously elected a Shared Cost offer. [XX%] will display the policyholder's cumulative Shared Cost percentage if elected.

- **Apply Your Shared Cost percentage to any future claim payments.** John Hancock will pay [1-XX%] of any covered services, but we will not pay more than the new [daily/monthly] benefit amount and the new policy limit. You will be responsible for the remaining portion of covered charges and all remaining costs.

[1-XX%] represents John Hancock's Shared Cost percentage. [daily/monthly] will vary based on whether the policyholder has a daily or monthly benefit.

- The table below demonstrates the impact this change would have on three different claim examples after electing the [XX]% Shared Cost option[, compared to a traditional daily benefit reduction] The examples reflect our payment amount under the Shared Cost Option[ and the [DB/MB] Reduction Option] when claim expenses are lower, are higher, and equal to your current daily benefit amount. Note – all amounts below are rounded to the nearest dollar for illustrative purposes.

[XX%] represents the policyholder's offered Shared Cost percentage.

[, compared to a traditional [daily] benefit reduction] will be inserted if the policyholder is being offered a daily/monthly benefit reduction. [daily] will vary based on whether the policyholder has a daily or monthly benefit.

[ and the [DB/MB] Reduction Option] will display if the policyholder is being offered a daily/monthly benefit reduction. DB/MB will vary based on whether the policyholder has a daily or monthly benefit.

Example 1 \$[XXX] Claim Submitted				Example 2 \$[XXX] Claim Submitted			Example 3 \$[XXX] Claim Submitted		
	Keep Current Coverage	[DB] Reduction Option	Shared Cost Option	Keep Current Coverage	[DB] Reduction Option	Shared Cost Option	Keep Current Coverage	[DB] Reduction Option	Shared Cost Option
<b>Daily Benefit</b>	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]
<b>John Hancock's payment amount</b>	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]
<b>Your payment amount</b>	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]

Using example #3, let's look at how the Shared Cost amounts are determined (using rounded dollar amounts):

- Your existing \$[XXX] [daily] benefit is reduced by [XX]% ( $\$[XXX] - \$[XXX] =$  your new [daily] benefit of \$[XXX])
- You submit a claim for \$[XXX]
- John Hancock pays [XX]% of any covered service – but no more than your new [daily] benefit of \$[XXX]  
( $\$[XXX] \times [XX]\% = \$[XXX]$ ; which is greater than your new [daily] benefit of \$[XXX] – therefore your claim reimbursement from John Hancock = \$[XXX])
- You are responsible for paying the remaining amount ( $\$[XXX] - \$[XXX] =$  your payment of \$[XXX])

[When compared to a traditional [daily] benefit reduction, the Shared Cost option allows you to retain a higher daily benefit and policy limit – for a similar annual premium (see page 3).]

The values in the table and bullet points above will vary based on the policyholder's individual benefits, Shared Cost offer, and daily/monthly benefit reduction.

### [Reduce your [Daily/Monthly] Benefit]

This option will only appear if the policyholder has a quoted daily/monthly benefit reduction option available.

- [Daily/Monthly] will vary based on whether the policyholder has a daily or monthly benefit

- Reduce your [daily/monthly] benefit from \$[xxx] to \$[yyy], resulting in a new [modal] premium of \$[XXX]. Reducing your [daily/monthly] benefit will also reduce your overall policy limit. [daily/monthly] will vary based on whether the policyholder has a daily or monthly benefit. \$[xxx] will display the policyholder's current daily or monthly benefit. \$[yyy] will display the policyholder's reduced daily or monthly benefit option. [modal] will vary based on the billing mode of the policyholder. \$[XXX] will display the premium amount based on the benefit reduction option.
- Page 5 of [X] The total number of pages in this package may vary due to required content.

### **Form – JHLTC - 8471 POLICYHOLDER OPTIONS WORKSHEET (continued)**

#### **Page 6: Options**

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

### **[Exercise the [Contingent Benefit Upon Lapse/Nonforfeiture Benefit], resulting in a paid-up policy with reduced benefits]**

[Contingent Benefit Upon Lapse/Nonforfeiture Benefit] [Paid-Up Policy Option] will vary based on the policyholder's eligibility and the most favorable option available to the policyholder. The following will display if the policyholder purchased the Nonforfeiture Benefit.

The following will display if the policyholder purchased the Nonforfeiture Benefit.

[Your policy includes a Nonforfeiture Benefit. This benefit allows you to stop paying premiums and receive a paid-up policy with reduced benefits. By exercising this option, no further premiums are due. However, you will be significantly reducing your policy benefits. Therefore, you should give this careful consideration before you select it.

The following will display if the policyholder is eligible for the Contingent Benefit Upon Lapse based on the standard Virginia regulation triggers and is a more favorable option. The bracketed text will be the policyholder's next policy anniversary date and new policy limit.

[If you choose to cancel your policy within 120 days of [next policy anniversary date], we will modify your policy limit and convert your policy to paid-up status where no further premiums are due. Your new policy limit will be [\$XXXX], which represents the sum of all premiums paid.\* By exercising this option, you will be significantly reducing your policy benefits. Therefore, you should give this careful consideration before you select it.]

The following will display if the policyholder is eligible for the Paid-Up Policy option and is a more favorable option. The bracketed text will be the policyholder's new policy limit.

[If you choose to elect this option, your policy will be converted to a paid-up status with a modified policy limit where no further premiums are due. Your new policy limit will be \$[XX,XXX], which represents the lesser of your current policy limit and 150% of all premiums paid\* minus any benefits paid. By exercising this option,

you may be significantly reducing your policy benefits, so you should give this careful consideration before you select it.]

The following terms apply if you choose to exercise the [Contingent Benefit Upon Lapse] [Nonforfeiture Benefit] [Paid-Up Policy Option]:

- No benefits will be paid in excess of your new policy limit.
- Benefits will be paid subject to your new policy limit and the daily/monthly benefit levels (and other coverage limits) in effect at the time you convert your policy to paid-up status.
- All optional benefit riders will automatically terminate as of the effective date of your paid-up status.
- No future inflation adjustments will be made.
- All other applicable policy provisions, conditions, and limitations will remain in effect.

The following footnote is displayed if the Contingent Benefit Upon Lapse or Paid-Up Policy Option is triggered:

[\*Calculated based on benefit amounts and on premiums paid to date as of [file extract date]. The actual [Contingent Benefit Upon Lapse][Paid-Up Policy option] amount may be slightly higher as it will be calculated based on current benefits and premiums paid to date or 30 times the daily nursing home benefit at the time of lapse, whichever is greater; but in no event will the sum of benefits exceed the maximum benefits which would be payable if the policy had remained in premium paying status.]

The "file extract date" is the date that the mailing extract was created.

### **[Cancel your Coverage]**

If you choose to cancel your coverage, no claim for a previous or future loss will be eligible for consideration under your terminated policy. This change will be effective immediately.]

This option will only display if the policyholder is not eligible for the Nonforfeiture Benefit, Contingent Benefit Upon Lapse or Paid-Up Policy option.

- Page 6 of [X] The total number of pages in this package may vary due to required content.

## **Form – JHLTC - 8471 POLICYHOLDER OPTIONS WORKSHEET (continued)**

### **Page 7: Options**

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

### **[Other Benefit Reduction Options]**

This section represents a scenario when the policyholder is eligible for alternative personalized options.

- "daily" or "monthly" will populate "Reduce your current[daily/monthly] benefit". This option will only display if the policyholder was not offered a quoted daily/monthly benefit reduction in the prior pages.
- "Reduce your benefit period\*" will only show if the policyholder does not currently have the minimum benefit period available for the product.
- "Increase your elimination period" will only show if the policyholder does not currently have the maximum elimination period available for the product.
- "Drop an optional rider" will only show if the policyholder has one or more optional riders on their policy.

- [\* This reduction will also result in a corresponding decrease in your Total Policy Limit.] This will be inserted when the policyholder is not offered a quoted daily/monthly benefit reduction or if the policyholder does not currently have the minimum benefit period available for the product.
- [In addition, certain changes are subject to Partnership regulatory benefit minimum requirements] This will be inserted for policyholders whose policies are partnership-certified.
- The following will be used only when the policy includes a limit payment option:  
[Your policy includes a "Limited Pay" payment option. Please consider the number of remaining payments on your policy before making the decision to reduce your benefits.]
- .... please call John Hancock at [844-272-7842]. Phone number may vary based on firm of servicing agent on record.

### **Important Dates**

- ...return form by [Month XX, YYYY]. Date will vary based on the election deadline date.
- .... and your new increased premium will become effective on [Month XX, YYYY]. Date will vary based on rate increase effective date
- Page 7 of [X] The total number of pages in this package may vary due to required content.

### **Form – JHLTC - 8472 FREQUENTLY ASKED QUESTIONS**

#### **Page 8:**

- Page 8 of [X] The total number of pages in this package may vary due to required content.

### **Form – JHLTC – 8473 - COVERAGE CHANGE REQUEST FORM**

#### **Page 9:**

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.
- ... and your new increased premium will be effective on [Month XX, YYYY]. Date will vary based on rate increase effective date
- ...return this Coverage Change Request Form by [Month XX, YYYY]. Date will vary based on the election deadline date.

### **Step 1: Select an option (please choose only one option)**

- **[In some instances, certain changes are subject to Partnership regulatory benefit minimum requirements and may result in a loss of Partnership status].** This will be inserted for policyholders whose policies are partnership-certified and will not lose Partnership status by accepting the reduced inflation landing spot.
- .... please call John Hancock at [844-272-7842]. Phone number may vary based on firm of servicing agent on record.



## Coverage Change Options

In the following option, [X%] will represent the policyholder's current inflation type, and [Y%] will represent the reduced inflation option available. Values can range from a minimum of 0.3% to a maximum of 5%. The asterisk will display if the policyholder is offered an inflation landing spot that would result in the loss of Partnership status.

<input type="checkbox"/>	<b>Reduce your future annual inflation rate from [X%] to [Y%].[*]</b>
--------------------------	---

In the following option, [XX%] will display the policyholder's Shared Cost option. [daily] will vary based on whether the policyholder has a daily or monthly benefit.  
[Your new, overall Shared Cost percentage will be [XX%]. This statement will display if the policyholder has previously elected a Shared Cost offer. [XX%] will display the policyholder's cumulative Shared Cost percentage.

[1-XX%] will display John Hancock's Shared Cost percentage.

[daily/monthly] will vary based on whether the policyholder has a monthly or daily benefit.

Shared Cost percentage values can range from 0% to 100%.

<input type="checkbox"/>	<b>Exercise the Shared Cost Option of [XX%]</b> resulting in a new [daily] benefit of \$[XXX] and a reduction to your overall policy limit. [Your new, overall Shared Cost percentage will be [XX%].] John Hancock will pay [1-XX%] of any covered services, but we will not pay more than the new [daily/monthly] benefit amount and the new policy limit. This option will keep your premium at its current level.
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The following option will only display if the policyholder has a quoted daily or monthly benefit reduction option available. [daily/monthly] will vary based on whether the policyholder has a monthly or daily benefit. \$[XXX] will represent the policyholders current daily/monthly benefit. \$[YYY] will represent the policyholder's benefit reduction option. [modal] will vary based on the policyholder's billing mode. \$[XXX.XX] will represent the policyholder's new premium if this option is selected. Benefit Period values can range from a minimum of 1-year to a maximum of Lifetime.

<input type="checkbox"/>	<b>[Reduce your [daily/monthly] benefit from \$[XXX] to \$[YYY].</b> This will result in a reduction to your overall policy limit. Your new [modal] premium will be \$[XXX.XX]
--------------------------	--

In the following option, Contingent Benefit Upon Lapse will display if the policyholder is eligible for the Contingent Benefit Upon Lapse, based on standard Virginia regulations triggers, and did not purchase the Nonforfeiture Benefit. Nonforfeiture Benefit will display if the policyholder purchased the optional Nonforfeiture Benefit. \$[XXXX] will display the new policy limit.

<input type="checkbox"/>	<b>[Exercise the [Contingent Benefit Upon Lapse][Nonforfeiture Benefit][Paid-Up Policy Option] available on your policy.</b> Your policy will be converted to a paid-up status with a modified policy limit of \$[XXXX].
--------------------------	--

The following option will only display if the policyholder is not eligible for any of the options above.

<input type="checkbox"/>	<b>[Cancel your coverage.</b> This change will be effective immediately.]
--------------------------	---

- **[\*Important: Reducing your future annual inflation rate will result in the loss of Partnership status...]** This text will appear if accepting the reduced inflation landing spot will result in a loss of Partnership status.

**Form – JHLTC – 8473 - COVERAGE CHANGE REQUEST FORM**

Page 10:

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

**Step 3: Sign and Date**

**Signature ([First Name] [Last Name])**

Date

Name will vary based on the policyholder.

**Step 4: Return this completed form . . . by [Month XX, YYYY]** Date will vary based on the election deadline date.

The following information is bracketed in the event of a contact change:

**[Mail**

John Hancock  
LTC Coverage Election  
P.O. Box 55978  
Boston, MA 02205-9723

**Fax**

John Hancock  
LTC Coverage Election  
877-606-7771

**Email**

LTCforms@jhancock.com]

- Page 10 of [X] The total number of pages in this package may vary due to required content.

## **Statement of Variability –policyholders not eligible for a reduced inflation option**

### **Form – JHLTC-8470 GPO POLICYHOLDER COVER LETTER**

#### Page 1: Policyholder Cover Letter

- [Peter K. Burke, Assistant Vice President] This may vary due to any personnel or title change.
- Contact Information and Date will vary based on the policyholder and date mailed.  
  
[First Name] [Last Name] [Date]  
[Address1]  
[Address2]  
[City], [State] [Zip]
- Policy No. [xxx] will vary to reflect each policyholder's unique policy number.
- **"Decision required by [date]"** will be equal to one month prior to the effective date of the rate increase.
- Name will vary based on the policyholder  
[First Name] [Last Name]
- "The approved rate increase is [XX]% for your policy....from [current premium] to [new premium], [policy mode]. This new premium will be effective for premiums due on or after [next policy anniversary]." Current premium, new premium, policy mode, and next policy anniversary will vary based on each policyholder's premiums, policy billing mode and policy anniversary date.
- "We do want you to know that this premium rate increase only represents a portion of the total requested rate increase we filed with Virginia Bureau of Insurance. The Bureau reviewed our request and did not approve the full amount requested. We continue to believe the full amount of the rate increases requested were fully justified and will continue to seek additional rate increases on these policy forms until approved. This may result in higher ultimate rate increases than what we had originally requested in order to compensate for the delayed implementation. Due to this we feel it is important for you to know an additional increase may be coming in the future to help you make an informed decision about any changes you are considering making to your policy." Paragraph will be included if policyholder is not receiving the full rate increase filed for approval.
- "[In addition,] [We do want you to know]" Lead in will be different based the approval of the rate increase (Capped or Full increase) "we completed a subsequent comprehensive claim study in 2022 which indicates that we will need to file for additional rate increases. As a result, we will be requesting further premium increases in the future. " Paragraph will be included for when policyholder may be subject to a subsequent increase.
- "...for at least 12 months from your policy anniversary date of [next policy anniversary]." Next policy anniversary will vary based on the policyholder's anniversary date
- Page 1 of [X] The total number of pages in this package may vary due to required content.

#### Page 2: Policyholder Cover Letter

- The following page number descriptions are bracketed in the event the total number of pages varies due to required content:
  - (pages [3-6])

- (page [7])
  - (pages [8-9])
- ...return it to John Hancock by [**Month XX, YYYY**] Date will vary based on the election deadline date.
- . . and your new increased premium will become effective on [**Month XX, YYYY**] Date will vary based on rate increase effective date.
- ... contact one of our customer service representatives at [844-272-7842]. Phone number may vary based on firm of servicing agent on record.
- [Signature & Peter K. Burke, Assistant Vice President, Long-Term Care Operations] Signatory may vary due to any personnel or title change.
- Page 2 of [X] The total number of pages in this package may vary due to required content.

## Form – JHLTC-8471 GPO POLICYHOLDER OPTIONS WORKSHEET

### Page 3: Options Summary

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.
- The following table will vary based on the policyholder's current benefits, the benefit reduction options available to the policyholder, and the associated premiums and policy mode. Daily Benefit or Monthly Benefit (DB or MB) will be used depending on the type of benefit structure the policyholder has. Modal refers to the billing mode of the policyholder (monthly, quarterly, semi-annually, annually).
  - Benefit Period values can range from a minimum of 1-year to a maximum of Lifetime.
  - Shared Cost percentage values can range from a minimum of 0% to a maximum of 100%
  - Elimination Period values can range from a minimum of 30 days to a maximum of 365 days

Current Coverage		Coverage Change Options					
	Accept Rate Increase <sup>1</sup>	[Shared Cost Option] <sup>1</sup>	[Reduce your BP <sup>2]</sup>	[Reduce your [DB/MB] <sup>2]</sup>	[Reduce your BP & [DB/MB] <sup>2]</sup>	[Paid-up Policy] [Contingent Benefit Upon Lapse / Nonforfeiture Benefit <sup>6</sup> ]	[Cancel Coverage]
[Daily Benefit (DB)/Monthly Benefit (MB)] <sup>3</sup>	\$(XXX)	\$(XXX) <sup>[7]</sup>	\$(XXX)	\$(XXX)	\$(XXX)	\$(XXX)	Cancel your coverage, effective immediately.
Benefit Period (BP)	[X]-year	[X]-year	[Y]-year	[X]-year	[Z]-year	N/A	
[Your Shared Cost Percentage]	[XX]%	[XX]% <sup>[5]</sup>	[XX]%	[XX]%	[XX]%	[XX%]	
[Shared Cost Feature]	No	Yes <sup>[5]</sup>	No	No	No	[No]	
Elimination Period	[List Here]						
Inflation Option	[List Here]						
Optional Riders	[List Here]						
Current [modal] Premium	\$(XXX)						
<b>New [modal] Premium<sup>4</sup></b>	<b>\$(XXX)</b>	<b>\$(XXX)</b>	<b>\$(XXX)</b>	<b>\$(XXX)</b>	<b>\$(XXX)</b>	<b>N/A</b>	

- [844-272-7842]. Phone number may vary based on firm of servicing agent on record.
- **[In some instances, certain changes are subject to Partnership regulatory benefit minimum requirements and may result in a loss of Partnership status.]** This will be inserted for policyholders whose policies are partnership-certified
- The following will be used only when the policy includes a limit payment option:  
[Important: Your policy includes a "Limited Pay" premium provision. Please consider the number of remaining payments on your policy before making the decision to reduce your benefits.]
- Footnote 3: ...[DB/MB] and [day/month] will vary based on whether the policyholder has a daily or monthly benefit. [Note: our records indicate there is claim activity on your policy....] will only show if the policyholder has prior claim activity. [You may also want to review the restoration of benefits....] will only show if the policyholder has prior claim activity and the restoration of benefits provision is included in their policy.
- Footnote 4: As of [Month XX, YYYY] will vary based on policyholder's next anniversary date. [Note, Due to the pending release of CPI data by the U.S. Department of Labor, we are unable to quote [DB/MB] reductions until [Month] 20<sup>th</sup>.] This sentence will only show if the policyholder has CPI compound as a current inflation type. [DB/MB] will vary based on whether the policyholder has a daily or monthly benefit.[Month] will reflect 2 months prior to the policyholder's anniversary month.
- Footnote 5:
  - The following will display if the policyholder has elected a prior Shared Cost offer. [XX%] represents the current Shared Cost offer.:  
Represents your cumulative shared cost percentage after electing the current shared cost reduction offer of [XX%]. More details provided on the following page.
  - The following will display if the policyholder has not elected a prior Shared Cost offer. [XX%] represents the Shared Cost percentage being offered to the policyholder:  
[Your Shared Cost percentage would be [XX]%. This change will also result in a reduction to your overall policy limit. See page 5 for more details on this option.]
- Footnote 6: This footnote will display if the policyholder is eligible for the Nonforfeiture Benefit, Contingent Benefit Upon Lapse, or the Paid-Up Policy Option.
- Footnote 7: Footnote will only display if the policyholder has previously elected a Shared Cost offer. [daily/monthly] will vary based on whether the policyholder has a daily or monthly benefit.
- Page 3 of [X] The total number of pages in this package may vary due to required content.

## **Form – JHLTC-8471 GPO POLICYHOLDER OPTIONS WORKSHEET (continued)**

### **Page 4: Options**

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

### **Exercise the Shared Cost Option**

- **Reduce your current benefit amounts by Your Shared Cost percentage of [XX]%. Choosing this option will result in a new daily benefit of \$[XXX] and a reduction to your overall policy limit. [Your new, overall Shared Cost percentage will be [XX%].] [Your new [daily/monthly] benefit amount will continue to grow at the rate of your**

automatic inflation coverage.]

[XX%] will display the policyholder's offered shared cost landing spot. [daily/monthly] benefit will vary based on whether the policyholder has a daily or monthly benefit. \$[XXX] will display the policyholder's new daily/monthly benefit.

[Your new overall Shared Cost percentage will be [XX%]. This statement will display only if the policyholder has previously elected a Shared Cost offer. [XX%] will display the policyholder's cumulative Shared Cost percentage if elected.

[Your new [daily/monthly] benefit amount will continue to grow at the rate of your automatic inflation coverage.]. This statement will display if the policyholder has an automatic inflation coverage at a fixed amount. [daily/monthly] will vary based on whether the policyholder has a daily or monthly benefit.

- **Apply Your Shared Cost percentage to any future claim payments.** John Hancock will pay [1-XX%] of any covered services, but we will not pay more than the new [daily/monthly] benefit amount and the new policy limit. You will be responsible for the remaining portion of covered charges and all remaining costs.

[1-XX%] represents John Hancock's Shared Cost percentage. [daily/monthly] will vary based on whether the policyholder has a daily or monthly benefit.

- The table below demonstrates the impact this change would have on three different claim examples after electing the [XX%] Shared Cost option[, compared to a traditional daily benefit reduction] The examples reflect our payment amount under the Shared Cost Option[ and the [DB/MB] Reduction Option] when claim expenses are lower, are higher, and equal to your current daily benefit amount. Note – all amounts below are rounded to the nearest dollar for illustrative purposes.

[XX%] represents the policyholder's offered Shared Cost percentage.

[, compared to a traditional [daily] benefit reduction] will be inserted if the policyholder is being offered a daily/monthly benefit reduction. [daily] will vary based on whether the policyholder has a daily or monthly benefit.

[ and the [DB/MB] Reduction Option] will display if the policyholder is being offered a daily/monthly benefit reduction. DB/MB will vary based on whether the policyholder has a daily or monthly benefit.

Example 1 \$[XXX] Claim Submitted				Example 2 \$[XXX] Claim Submitted			Example 3 \$[XXX] Claim Submitted		
	Keep Current Coverage	[DB] Reduction Option	Shared Cost Option	Keep Current Coverage	[DB] Reduction Option	Shared Cost Option	Keep Current Coverage	[DB] Reduction Option	Shared Cost Option
<b>Daily Benefit</b>	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]
<b>John Hancock's payment amount</b>	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]
<b>Your payment amount</b>	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]

Using example #3, let's look at how the Shared Cost amounts are determined (using rounded dollar amounts):

- Your existing \$[XXX] [daily] benefit is reduced by [XX]% ( $[XXX] - [XXX] =$  your new [daily] benefit of \$[XXX])
- You submit a claim for \$[XXX]
- John Hancock pays [XX]% of any covered service – but no more than your new [daily] benefit of \$[XXX] ( $[XXX] \times [XX]\% = [XXX]$ ; which is greater than your new [daily] benefit of \$[XXX] – therefore your claim reimbursement from John Hancock = \$[XXX])
- You are responsible for paying the remaining amount ( $[XXX] - [XXX] =$  your payment of \$[XXX])

[When compared to a traditional [daily] benefit reduction, the Shared Cost option allows you to retain a higher daily benefit and policy limit – for a similar annual premium (see page 3).]

The values in the table and bullet points above will vary based on the policyholder's individual benefits, Shared Cost offer, and daily/monthly benefit reduction.

- Page 3 of [X] The total number of pages in this package may vary due to required content.

### **Form – JHLTC-8471 GPO POLICYHOLDER OPTIONS WORKSHEET (continued)**

#### **Page 4: Options**

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

### **[Reduce your Benefit Period]**

This option will only appear if the policyholder has a quoted benefit period reduction option available.

- Reduce your benefit period from [X]-year to [Y]-year, resulting in a new [modal] premium of \$[XXX]. Reducing your benefit period will also reduce your overall policy limit. There will be no change to your other benefit levels. [X]-year will display the policyholder's current benefit period. [Y]-year will display the reduced benefit period option available to the policyholder. [modal] will vary based on the billing mode of the policyholder. \$[XXXX] will display the premium amount based on the benefit reduction option.

### **[Reduce your [Daily/Monthly] Benefit]**

This option will only appear if the policyholder has a quoted daily or monthly benefit reduction option available.

- [Daily/Monthly] will vary based on whether the policyholder has a daily or monthly benefit
- Reduce your [daily/monthly] benefit from \$[XXX] to \$[YYY], resulting in a new [modal] premium of \$[XXX]. Reducing your [daily/monthly] benefit will also reduce your overall policy limit. [daily/monthly] will vary based on whether the policyholder has a daily or monthly benefit. \$[XXX] will display the policyholder's current daily or monthly benefit. \$[YYY] will display the policyholder's reduced daily or monthly benefit option. [modal] will vary based on the billing mode of the policyholder. \$[XXX] will display the premium amount based on the benefit reduction option.

### **[Reduce your Benefit Period AND your [Daily/Monthly] Benefit]**

This option will only appear if the policyholder has a quoted combination daily or monthly benefit and benefit period reduction option available.



- [Daily/Monthly] will vary based on whether the policyholder has a daily or monthly benefit
- Reduce your benefit period from [X]-year to [Y]-year AND your [daily/monthly] benefit from \$[XXX] to \$[YYY], resulting in a new [modal] premium of \$[XXX]. This combination of benefit reductions will also reduce your overall policy limit. There will be no change to your other benefit levels.] [X]-year will display the policyholder's current benefit period. [Y]-year will display the reduced benefit period option available to the policyholder. [daily/monthly] will vary based on whether the policyholder has a daily or monthly benefit. \$[XXX] will display the policyholder's current daily or monthly benefit. \$[YYY] will display the policyholder's reduced daily or monthly benefit option. [modal] will vary based on the billing mode of the policyholder. \$[XXX] will display the premium amount based on the benefit reduction option.
- Page 4 of [X] The total number of pages in this package may vary due to required content.

### **Form – JHLTC-8471 GPO POLICYHOLDER OPTIONS WORKSHEET (continued)**

#### **Page 5: Options**

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

#### **[Exercise the [Contingent Benefit Upon Lapse/Nonforfeiture Benefit], resulting in a paid-up policy with reduced benefits]**

[Contingent Benefit Upon Lapse/Nonforfeiture Benefit] [Paid-Up Policy Option] will vary based on the policyholder's eligibility and the most favorable option available to the policyholder. The following will display if the policyholder purchased the Nonforfeiture Benefit.

The following will display if the policyholder purchased the Nonforfeiture Benefit.

[Your policy includes a Nonforfeiture Benefit. This benefit allows you to stop paying premiums and receive a paid-up policy with reduced benefits. By exercising this option, no further premiums are due. However, you will be significantly reducing your policy benefits. Therefore, you should give this careful consideration before you select it.

The following will display if the policyholder is eligible for the Contingent Benefit Upon Lapse based on the standard Virginia regulation triggers and is a more favorable option. The bracketed text will be the policyholder's next policy anniversary date and new policy limit.

[If you choose to cancel your policy within 120 days of [next policy anniversary date], we will modify your policy limit and convert your policy to paid-up status where no further premiums are due. Your new policy limit will be \$[XXXX], which represents the sum of all premiums paid.\* By exercising this option, you will be significantly reducing your policy benefits. Therefore, you should give this careful consideration before you select it.]

The following will display if the policyholder is eligible for the Paid-Up Policy option and is a more favorable option. The bracketed text will be the policyholder's new policy limit.

[If you choose to elect this option, your policy will be converted to a paid-up status with a modified policy limit where no further premiums are due. Your new policy limit will be \$[XX,XXX], which represents the lesser of your current policy limit

and 150% of all premiums paid\* minus any benefits paid. By exercising this option, you may be significantly reducing your policy benefits, so you should give this careful consideration before you select it.]

The following terms apply if you choose to exercise the [Contingent Benefit Upon Lapse] [Nonforfeiture Benefit] [Paid-Up Policy Option]:

- No benefits will be paid in excess of your new policy limit.
- Benefits will be paid subject to your new policy limit and the daily/monthly benefit levels (and other coverage limits) in effect at the time you convert your policy to paid-up status.
- All optional benefit riders will automatically terminate as of the effective date of your paid-up status.
- No future inflation adjustments will be made.
- All other applicable policy provisions, conditions, and limitations will remain in effect.

The following footnote is displayed if the Contingent Benefit Upon Lapse or Paid-Up Policy Option is triggered:

[\*Calculated based on benefit amounts and on premiums paid to date as of [file extract date]. The actual [Contingent Benefit Upon Lapse][Paid-Up Policy option] amount may be slightly higher as it will be calculated based on current benefits and premiums paid to date or 30 times the daily nursing home benefit at the time of lapse, whichever is greater; but in no event will the sum of benefits exceed the maximum benefits which would be payable if the policy had remained in premium paying status.]

The "file extract date" is the date that the mailing extract was created.

### **[Cancel your Coverage]**

If you choose to cancel your coverage, no claim for a previous or future loss will be eligible for consideration under your terminated policy. This change will be effective immediately.]

This option will only display if the policyholder is not eligible for the Nonforfeiture Benefit, Contingent Benefit Upon Lapse or Paid-Up Policy option.

- Page 5 of [X] The total number of pages in this package may vary due to required content.

### **Form – JHLTC-8471 GPO POLICYHOLDER OPTIONS WORKSHEET (continued)**

#### **Page 6: Options**

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

### **Other Benefit Reduction Options**

- [Increase your elimination period] will display if the policyholder does not currently have the maximum elimination period available for the product.
- [Drop an optional rider] will only show if the policyholder has one or more optional riders on their policy.
- [Your policy includes a "Limited Pay" premium provision. Please consider the number of remaining payments on your policy before making the decision to reduce your benefits.] will display if the policyholder has a limited pay option

- ....please call John Hancock at **[844-272-7842]**. Phone number may vary based on firm of servicing agent on record.

### **Important Dates**

- . . .return form by **[Month XX, YYYY]** Date will vary based on the election deadline date.
- . . . . and your new increased premium will become effective on **[Month XX, YYYY]** Date will vary based on rate increase effective date
- Page 6 of [X] The total number of pages in this package may vary due to required content.

### **Form – JHLTC-8472 GPO FREQUENTLY ASKED QUESTIONS**

#### **Page 7:**

- Page 7 of [X] The total number of pages in this package may vary due to required content.

### **Form – JHLTC-8473 GPO POLICYHOLDER COVERAGE CHANGE REQUEST FORM**

#### **Page 8**

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.
- . . . and your new increased premium will be effective on **[Month XX, YYYY]** date will vary based on rate increase effective date.
- . . . and return this Coverage Change Request Form by **[Month XX, YYYY]** date will vary based on election deadline date.
- **[844-272-7842]** Phone number will vary based on the firm of the agent of record.
- **[In some instances, certain changes are subject to Partnership regulatory benefit minimum requirements and may result in a loss of Partnership status].** This will be inserted for affected policyholders whose policies are partnership-certified.

### **Coverage Change Options**

- New Premium Effective [Month XX, YYYY]. Date will vary based on policyholder's next policy anniversary date.

In the following option, [daily/monthly] will vary based on whether the policyholder has a monthly or daily benefit. [X%] will represent the policyholder's shared cost landing spot option. [Your new Shared Cost will be [XX%]] will display if the policyholder has elected a prior Shared Cost offer, [XX%] will represent the

policyholder's cumulative Shared Cost percentage. [1-XX%] will represent John Hancock's Shared Cost percentage. \$[XXX] will represent the policyholder's current premium and [policy mode] will vary based on the billing mode. Shared Cost percentage values can range from 0% to 100%.

<input type="checkbox"/>	<b>[Exercise the Shared Cost Option.]</b> Your [daily] benefit and policy limit will be reduced by [X%] and [we] [your new Shared Cost percentage will be [XX%]. John Hancock] will pay [1-XX%] of any covered services, but we will not pay more than the new [daily/monthly] benefit amount.]	\$[XXX] [policy mode]
--------------------------	---	-----------------------

The following row will appear only if the policyholder is eligible to reduce their benefit period. Values will vary based on current benefit period, reduced benefit period, resulting premium and policy mode. Benefit values can range from a minimum of 1-year to a maximum of Lifetime.

<input type="checkbox"/>	<b>[Reduce your Benefit Period from [X-year] to [X-year].]</b>	\$[XXX][policy mode]
--------------------------	--	----------------------

The following row will appear only if the policyholder is eligible to reduce their daily or monthly benefit. Values will vary based on current daily/monthly benefit, reduced daily/monthly benefit, resulting premium and policy mode, and whether the policyholder has a daily or monthly benefit.

<input type="checkbox"/>	<b>[Reduce your [Daily/Monthly] Benefit from \$[XXX] to \$[XXX].]</b>	\$[XXX][policy mode]
--------------------------	---	----------------------

The following row will appear only if the policyholder is eligible to reduce their benefit period AND their daily or monthly benefit. Values will vary based on current and reduced benefit period, current and reduced daily/monthly benefit, resulting premium and policy mode and whether the policyholder has a daily or monthly benefit. Benefit values can range from a minimum of 1-year to a maximum of Lifetime.

<input type="checkbox"/>	<b>[Reduce your Benefit Period from [X-year] to [X-year] and [Daily/Monthly] Benefit from \$[XXX] to \$[XXX].]</b>	\$[XXX][policy mode]
--------------------------	--	----------------------

In the following option, Contingent Benefit Upon Lapse will display if the policyholder is eligible for the Contingent Benefit Upon Lapse, based on standard Virginia regulations triggers, and did not purchase the Nonforfeiture Benefit. Nonforfeiture Benefit will display if the policyholder purchased the optional Nonforfeiture Benefit. \$[XXXX] will display the new policy limit.

<input type="checkbox"/>	<b>[Exercise the [Contingent Benefit Upon Lapse/Nonforfeiture Benefit] available on your policy].</b> Your policy will be converted to a paid-up status with a modified policy limit of \$[XXXX].]	N/A
--------------------------	--	-----

The following option will only display if the policyholder is not eligible for any of the options above.

<input type="checkbox"/>	<b>[Cancel your coverage.</b> This change will be effective immediately.	N/A
--------------------------	--	-----

- Page 8 of [X] The total number of pages in this package may vary due to required content.

**Form – JHLTC-8473 GPO POLICYHOLDER COVERAGE CHANGE REQUEST FORM (continued)**

Page 9

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

**Step 3: Sign and Date**

Signature ([First Name] [Last Name])

Date

Name will vary based on the policyholder.

**Step 4: Return this completed form . . . by [Month XX, YYYY]** Date will vary based on the election deadline date.

The following information is bracketed in the event of a contact change:

**[Mail**

John Hancock  
LTC Coverage Election  
P.O. Box 55978  
Boston, MA 02205-9723

**FAX**

John Hancock  
LTC Coverage Election  
877-606-7771

**EMAIL**

LTCforms@jhancock.com

- Page 9 of [X] The total number of pages in this package may vary due to required content.

## **Statement of Variability –policyholders not eligible for a reduced inflation option**

### **Form – JHLTC-8470 GPO POLICYHOLDER COVER LETTER**

#### Page 1: Policyholder Cover Letter

- [Peter K. Burke, Assistant Vice President] This may vary due to any personnel or title change.
- Contact Information and Date will vary based on the policyholder and date mailed.  
  
[First Name] [Last Name] [Date]  
[Address1]  
[Address2]  
[City], [State] [Zip]
- Policy No. [xxx] will vary to reflect each policyholder's unique policy number.
- **"Decision required by [date]"** will be equal to one month prior to the effective date of the rate increase.
- Name will vary based on the policyholder  
[First Name] [Last Name]
- "The approved rate increase is [XX]% for your policy....from [current premium] to [new premium], [policy mode]. This new premium will be effective for premiums due on or after [next policy anniversary]." Current premium, new premium, policy mode, and next policy anniversary will vary based on each policyholder's premiums, policy billing mode and policy anniversary date.
- "We do want you to know that this premium rate increase only represents a portion of the total requested rate increase we filed with Virginia Bureau of Insurance. The Bureau reviewed our request and did not approve the full amount requested. We continue to believe the full amount of the rate increases requested were fully justified and will continue to seek additional rate increases on these policy forms until approved. This may result in higher ultimate rate increases than what we had originally requested in order to compensate for the delayed implementation. Due to this we feel it is important for you to know an additional increase may be coming in the future to help you make an informed decision about any changes you are considering making to your policy." Paragraph will be included if policyholder is not receiving the full rate increase filed for approval.
- "[In addition,] [We do want you to know]" Lead in will be different based the approval of the rate increase (Capped or Full increase) "we completed a subsequent comprehensive claim study in 2022 which indicates that we will need to file for additional rate increases. As a result, we will be requesting further premium increases in the future. " Paragraph will be included for when policyholder may be subject to a subsequent increase.
- "...for at least 12 months from your policy anniversary date of [next policy anniversary]." Next policy anniversary will vary based on the policyholder's anniversary date
- Page 1 of [X] The total number of pages in this package may vary due to required content.

#### Page 2: Policyholder Cover Letter

- The following page number descriptions are bracketed in the event the total number of pages varies due to required content:
  - (pages [3-6])

- (page [7])
  - (pages [8-9])
- ...return it to John Hancock by [**Month XX, YYYY**] Date will vary based on the election deadline date.
- . . and your new increased premium will become effective on [**Month XX, YYYY**] Date will vary based on rate increase effective date.
- ... contact one of our customer service representatives at [844-272-7842]. Phone number may vary based on firm of servicing agent on record.
- [Signature & Peter K. Burke, Assistant Vice President, Long-Term Care Operations] Signatory may vary due to any personnel or title change.
- Page 2 of [X] The total number of pages in this package may vary due to required content.

## Form – JHLTC-8471 GPO POLICYHOLDER OPTIONS WORKSHEET

### Page 3: Options Summary

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.
- The following table will vary based on the policyholder's current benefits, the benefit reduction options available to the policyholder, and the associated premiums and policy mode. Daily Benefit or Monthly Benefit (DB or MB) will be used depending on the type of benefit structure the policyholder has. Modal refers to the billing mode of the policyholder (monthly, quarterly, semi-annually, annually).
  - Benefit Period values can range from a minimum of 1-year to a maximum of Lifetime.
  - Shared Cost percentage values can range from a minimum of 0% to a maximum of 100%
  - Elimination Period values can range from a minimum of 30 days to a maximum of 365 days

Current Coverage		Coverage Change Options					
	Accept Rate Increase <sup>1</sup>	[Shared Cost Option] <sup>1</sup>	[Reduce your BP <sup>2]</sup>	[Reduce your [DB/MB] <sup>2]</sup>	[Reduce your BP & [DB/MB] <sup>2]</sup>	[Paid-up Policy] [Contingent Benefit Upon Lapse / Nonforfeiture Benefit <sup>6</sup> ]	[Cancel Coverage]
[Daily Benefit (DB)/Monthly Benefit (MB)] <sup>3</sup>	[\$XXX]	[\$XXX] <sup>[7]</sup>	[\$XXX]	[\$XXX]	[\$XXX]	[\$XXX]	Cancel your coverage, effective immediately.
Benefit Period (BP)	[X]-year	[X]-year	[Y]-year	[X]-year	[Z]-year	N/A	
[Your Shared Cost Percentage]	[XX]%	[XX]% <sup>[5]</sup>	[XX]%	[XX]%	[XX]%	[XX%]	
[Shared Cost Feature]	No	Yes <sup>[5]</sup>	No	No	No	[No]	
Elimination Period	[List Here]						
Inflation Option	[List Here]						
Optional Riders	[List Here]						
Current [modal] Premium	[\$XXX]						
<b>New [modal] Premium<sup>4</sup></b>	<b>[\$XXX]</b>	<b>[\$XXX]</b>	<b>[\$XXX]</b>	<b>[\$XXX]</b>	<b>[\$XXX]</b>	<b>N/A</b>	



- [844-272-7842]. Phone number may vary based on firm of servicing agent on record.
- **[In some instances, certain changes are subject to Partnership regulatory benefit minimum requirements and may result in a loss of Partnership status.]** This will be inserted for policyholders whose policies are partnership-certified
- The following will be used only when the policy includes a limit payment option:  
[Important: Your policy includes a "Limited Pay" premium provision. Please consider the number of remaining payments on your policy before making the decision to reduce your benefits.]
- Footnote 3: ...[DB/MB] and [day/month] will vary based on whether the policyholder has a daily or monthly benefit. [Note: our records indicate there is claim activity on your policy....] will only show if the policyholder has prior claim activity. [You may also want to review the restoration of benefits....] will only show if the policyholder has prior claim activity and the restoration of benefits provision is included in their policy.
- Footnote 4: As of [Month XX, YYYY] will vary based on policyholder's next anniversary date. [Note, Due to the pending release of CPI data by the U.S. Department of Labor, we are unable to quote [DB/MB] reductions until [Month] 20<sup>th</sup>.] This sentence will only show if the policyholder has CPI compound as a current inflation type. [DB/MB] will vary based on whether the policyholder has a daily or monthly benefit.[Month] will reflect 2 months prior to the policyholder's anniversary month.
- Footnote 5:
  - The following will display if the policyholder has elected a prior Shared Cost offer. [XX%] represents the current Shared Cost offer.:  
Represents your cumulative shared cost percentage after electing the current shared cost reduction offer of [XX%]. More details provided on the following page.
  - The following will display if the policyholder has not elected a prior Shared Cost offer. [XX%] represents the Shared Cost percentage being offered to the policyholder:  
[Your Shared Cost percentage would be [XX]%. This change will also result in a reduction to your overall policy limit. See page 5 for more details on this option.]
- Footnote 6: This footnote will display if the policyholder is eligible for the Nonforfeiture Benefit, Contingent Benefit Upon Lapse, or the Paid-Up Policy Option.
- Footnote 7: Footnote will only display if the policyholder has previously elected a Shared Cost offer. [daily/monthly] will vary based on whether the policyholder has a daily or monthly benefit.
- Page 3 of [X] The total number of pages in this package may vary due to required content.

## **Form – JHLTC-8471 GPO POLICYHOLDER OPTIONS WORKSHEET (continued)**

### **Page 4: Options**

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

### **Exercise the Shared Cost Option**

- **Reduce your current benefit amounts by Your Shared Cost percentage of [XX]%. Choosing this option will result in a new daily benefit of \$[XXX] and a reduction to your overall policy limit. [Your new, overall Shared Cost percentage will be [XX%].] [Your new [daily/monthly] benefit amount will continue to grow at the rate of your**

automatic inflation coverage.]

[XX%] will display the policyholder's offered shared cost landing spot. [daily/monthly] benefit will vary based on whether the policyholder has a daily or monthly benefit. \$[XXX] will display the policyholder's new daily/monthly benefit.

[Your new overall Shared Cost percentage will be [XX%]. This statement will display only if the policyholder has previously elected a Shared Cost offer. [XX%] will display the policyholder's cumulative Shared Cost percentage if elected.

[Your new [daily/monthly] benefit amount will continue to grow at the rate of your automatic inflation coverage.]. This statement will display if the policyholder has an automatic inflation coverage at a fixed amount. [daily/monthly] will vary based on whether the policyholder has a daily or monthly benefit.

- **Apply Your Shared Cost percentage to any future claim payments.** John Hancock will pay [1-XX%] of any covered services, but we will not pay more than the new [daily/monthly] benefit amount and the new policy limit. You will be responsible for the remaining portion of covered charges and all remaining costs.

[1-XX%] represents John Hancock's Shared Cost percentage. [daily/monthly] will vary based on whether the policyholder has a daily or monthly benefit.

- The table below demonstrates the impact this change would have on three different claim examples after electing the [XX]% Shared Cost option[, compared to a traditional daily benefit reduction] The examples reflect our payment amount under the Shared Cost Option[ and the [DB/MB] Reduction Option] when claim expenses are lower, are higher, and equal to your current daily benefit amount. Note – all amounts below are rounded to the nearest dollar for illustrative purposes.

[XX%] represents the policyholder's offered Shared Cost percentage.

[, compared to a traditional [daily] benefit reduction] will be inserted if the policyholder is being offered a daily/monthly benefit reduction. [daily] will vary based on whether the policyholder has a daily or monthly benefit.

[ and the [DB/MB] Reduction Option] will display if the policyholder is being offered a daily/monthly benefit reduction. DB/MB will vary based on whether the policyholder has a daily or monthly benefit.

Example 1 \$[XXX] Claim Submitted				Example 2 \$[XXX] Claim Submitted			Example 3 \$[XXX] Claim Submitted		
	Keep Current Coverage	[DB] Reduction Option	Shared Cost Option	Keep Current Coverage	[DB] Reduction Option	Shared Cost Option	Keep Current Coverage	[DB] Reduction Option	Shared Cost Option
<b>Daily Benefit</b>	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]
<b>John Hancock's payment amount</b>	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]
<b>Your payment amount</b>	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]	\$[XXX]

Using example #3, let's look at how the Shared Cost amounts are determined (using rounded dollar amounts):

- Your existing \$[XXX] [daily] benefit is reduced by [XX]% ( $\$[XXX] - \$[XXX] = \text{your new [daily] benefit of } \$[XXX]$ )
- You submit a claim for \$[XXX]
- John Hancock pays [XX]% of any covered service – but no more than your new [daily] benefit of \$[XXX] ( $\$[XXX] \times [XX]\% = \$[XXX]$ ; which is greater than your new [daily] benefit of \$[XXX] – therefore your claim reimbursement from John Hancock = \$[XXX])
- You are responsible for paying the remaining amount ( $\$[XXX] - \$[XXX] = \text{your payment of } \$[XXX]$ )

[When compared to a traditional [daily] benefit reduction, the Shared Cost option allows you to retain a higher daily benefit and policy limit – for a similar annual premium (see page 3).]

The values in the table and bullet points above will vary based on the policyholder's individual benefits, Shared Cost offer, and daily/monthly benefit reduction.

- Page 3 of [X] The total number of pages in this package may vary due to required content.

### **Form – JHLTC-8471 GPO POLICYHOLDER OPTIONS WORKSHEET (continued)**

#### **Page 4: Options**

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

### **[Reduce your Benefit Period]**

This option will only appear if the policyholder has a quoted benefit period reduction option available.

- Reduce your benefit period from [X]-year to [Y]-year, resulting in a new [modal] premium of \$[XXX]. Reducing your benefit period will also reduce your overall policy limit. There will be no change to your other benefit levels. [X]-year will display the policyholder's current benefit period. [Y]-year will display the reduced benefit period option available to the policyholder. [modal] will vary based on the billing mode of the policyholder. \$[XXXX] will display the premium amount based on the benefit reduction option.

### **[Reduce your [Daily/Monthly] Benefit]**

This option will only appear if the policyholder has a quoted daily or monthly benefit reduction option available.

- [Daily/Monthly] will vary based on whether the policyholder has a daily or monthly benefit
- Reduce your [daily/monthly] benefit from \$[XXX] to \$[YYY], resulting in a new [modal] premium of \$[XXX]. Reducing your [daily/monthly] benefit will also reduce your overall policy limit. [daily/monthly] will vary based on whether the policyholder has a daily or monthly benefit. \$[XXX] will display the policyholder's current daily or monthly benefit. \$[YYY] will display the policyholder's reduced daily or monthly benefit option. [modal] will vary based on the billing mode of the policyholder. \$[XXX] will display the premium amount based on the benefit reduction option.

### **[Reduce your Benefit Period AND your [Daily/Monthly] Benefit]**

This option will only appear if the policyholder has a quoted combination daily or monthly benefit and benefit period reduction option available.

- [Daily/Monthly] will vary based on whether the policyholder has a daily or monthly benefit
- Reduce your benefit period from [X]-year to [Y]-year AND your [daily/monthly] benefit from \$[XXX] to \$[YYY], resulting in a new [modal] premium of \$[XXX]. This combination of benefit reductions will also reduce your overall policy limit. There will be no change to your other benefit levels.] [X]-year will display the policyholder's current benefit period. [Y]-year will display the reduced benefit period option available to the policyholder. [daily/monthly] will vary based on whether the policyholder has a daily or monthly benefit. \$[XXX] will display the policyholder's current daily or monthly benefit. \$[YYY] will display the policyholder's reduced daily or monthly benefit option. [modal] will vary based on the billing mode of the policyholder. \$[XXX] will display the premium amount based on the benefit reduction option.
- Page 4 of [X] The total number of pages in this package may vary due to required content.

## **Form – JHLTC-8471 GPO POLICYHOLDER OPTIONS WORKSHEET (continued)**

### **Page 5: Options**

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

### **[Exercise the [Contingent Benefit Upon Lapse/Nonforfeiture Benefit], resulting in a paid-up policy with reduced benefits]**

[Contingent Benefit Upon Lapse/Nonforfeiture Benefit] [Paid-Up Policy Option] will vary based on the policyholder's eligibility and the most favorable option available to the policyholder. The following will display if the policyholder purchased the Nonforfeiture Benefit.

The following will display if the policyholder purchased the Nonforfeiture Benefit.

[Your policy includes a Nonforfeiture Benefit. This benefit allows you to stop paying premiums and receive a paid-up policy with reduced benefits. By exercising this option, no further premiums are due. However, you will be significantly reducing your policy benefits. Therefore, you should give this careful consideration before you select it.

The following will display if the policyholder is eligible for the Contingent Benefit Upon Lapse based on the standard Virginia regulation triggers and is a more favorable option. The bracketed text will be the policyholder's next policy anniversary date and new policy limit.

[If you choose to cancel your policy within 120 days of [next policy anniversary date], we will modify your policy limit and convert your policy to paid-up status where no further premiums are due. Your new policy limit will be \$[XXXX], which represents the sum of all premiums paid.\* By exercising this option, you will be significantly reducing your policy benefits. Therefore, you should give this careful consideration before you select it.]

The following will display if the policyholder is eligible for the Paid-Up Policy option and is a more favorable option. The bracketed text will be the policyholder's new policy limit.

[If you choose to elect this option, your policy will be converted to a paid-up status with a modified policy limit where no further premiums are due. Your new policy limit will be \$[XX,XXX], which represents the lesser of your current policy limit

and 150% of all premiums paid\* minus any benefits paid. By exercising this option, you may be significantly reducing your policy benefits, so you should give this careful consideration before you select it.]

The following terms apply if you choose to exercise the [Contingent Benefit Upon Lapse] [Nonforfeiture Benefit] [Paid-Up Policy Option]:

- No benefits will be paid in excess of your new policy limit.
- Benefits will be paid subject to your new policy limit and the daily/monthly benefit levels (and other coverage limits) in effect at the time you convert your policy to paid-up status.
- All optional benefit riders will automatically terminate as of the effective date of your paid-up status.
- No future inflation adjustments will be made.
- All other applicable policy provisions, conditions, and limitations will remain in effect.

The following footnote is displayed if the Contingent Benefit Upon Lapse or Paid-Up Policy Option is triggered:

[\*Calculated based on benefit amounts and on premiums paid to date as of [file extract date]. The actual [Contingent Benefit Upon Lapse][Paid-Up Policy option] amount may be slightly higher as it will be calculated based on current benefits and premiums paid to date or 30 times the daily nursing home benefit at the time of lapse, whichever is greater; but in no event will the sum of benefits exceed the maximum benefits which would be payable if the policy had remained in premium paying status.]

The "file extract date" is the date that the mailing extract was created.

### **[Cancel your Coverage]**

If you choose to cancel your coverage, no claim for a previous or future loss will be eligible for consideration under your terminated policy. This change will be effective immediately.]

This option will only display if the policyholder is not eligible for the Nonforfeiture Benefit, Contingent Benefit Upon Lapse or Paid-Up Policy option.

- Page 5 of [X] The total number of pages in this package may vary due to required content.

### **Form – JHLTC-8471 GPO POLICYHOLDER OPTIONS WORKSHEET (continued)**

#### **Page 6: Options**

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

### **Other Benefit Reduction Options**

- [Increase your elimination period] will display if the policyholder does not currently have the maximum elimination period available for the product.
- [Drop an optional rider] will only show if the policyholder has one or more optional riders on their policy.
- [Your policy includes a "Limited Pay" premium provision. Please consider the number of remaining payments on your policy before making the decision to reduce your benefits.] will display if the policyholder has a limited pay option

- ....please call John Hancock at **[844-272-7842]**. Phone number may vary based on firm of servicing agent on record.

### **Important Dates**

- . . .return form by **[Month XX, YYYY]** Date will vary based on the election deadline date.
- . . . . and your new increased premium will become effective on **[Month XX, YYYY]** Date will vary based on rate increase effective date
- Page 6 of [X] The total number of pages in this package may vary due to required content.

### **Form – JHLTC-8472 GPO FREQUENTLY ASKED QUESTIONS**

#### **Page 7:**

- Page 7 of [X] The total number of pages in this package may vary due to required content.

### **Form – JHLTC-8473 GPO POLICYHOLDER COVERAGE CHANGE REQUEST FORM**

#### **Page 8**

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.
- . . . and your new increased premium will be effective on **[Month XX, YYYY]** date will vary based on rate increase effective date.
- . . . and return this Coverage Change Request Form by **[Month XX, YYYY]** date will vary based on election deadline date.
- **[844-272-7842]** Phone number will vary based on the firm of the agent of record.
- **[In some instances, certain changes are subject to Partnership regulatory benefit minimum requirements and may result in a loss of Partnership status].** This will be inserted for affected policyholders whose policies are partnership-certified.

### **Coverage Change Options**

- New Premium Effective [Month XX, YYYY]. Date will vary based on policyholder's next policy anniversary date.

In the following option, [daily/monthly] will vary based on whether the policyholder has a monthly or daily benefit. [X%] will represent the policyholder's shared cost landing spot option. [Your new Shared Cost will be [XX%]] will display if the policyholder has elected a prior Shared Cost offer, [XX%] will represent the

policyholder's cumulative Shared Cost percentage. [1-XX%] will represent John Hancock's Shared Cost percentage. \$[XXX] will represent the policyholder's current premium and [policy mode] will vary based on the billing mode. Shared Cost percentage values can range from 0% to 100%.

<input type="checkbox"/>	<b>[Exercise the Shared Cost Option.</b> Your [daily] benefit and policy limit will be reduced by [X%] and [we] [your new Shared Cost percentage will be [XX%]. John Hancock] will pay [1-XX%] of any covered services, but we will not pay more than the new [daily/monthly] benefit amount.]	<b>\$[XXX] [policy mode]</b>
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The following row will appear only if the policyholder is eligible to reduce their benefit period. Values will vary based on current benefit period, reduced benefit period, resulting premium and policy mode. Benefit values can range from a minimum of 1-year to a maximum of Lifetime.

<input type="checkbox"/>	<b>[Reduce your Benefit Period from [X-year] to [X-year].]</b>	<b>\$[XXX][policy mode]</b>
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The following row will appear only if the policyholder is eligible to reduce their daily or monthly benefit. Values will vary based on current daily/monthly benefit, reduced daily/monthly benefit, resulting premium and policy mode, and whether the policyholder has a daily or monthly benefit.

<input type="checkbox"/>	<b>[Reduce your [Daily/Monthly] Benefit from \$[XXX] to \$[XXX].]</b>	<b>\$[XXX][policy mode]</b>
--------------------------	---	-----------------------------

The following row will appear only if the policyholder is eligible to reduce their benefit period AND their daily or monthly benefit. Values will vary based on current and reduced benefit period, current and reduced daily/monthly benefit, resulting premium and policy mode and whether the policyholder has a daily or monthly benefit. Benefit values can range from a minimum of 1-year to a maximum of Lifetime.

<input type="checkbox"/>	<b>[Reduce your Benefit Period from [X-year] to [X-year] and [Daily/Monthly] Benefit from \$[XXX] to \$[XXX].]</b>	<b>\$[XXX][policy mode]</b>
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In the following option, Contingent Benefit Upon Lapse will display if the policyholder is eligible for the Contingent Benefit Upon Lapse, based on standard Virginia regulations triggers, and did not purchase the Nonforfeiture Benefit. Nonforfeiture Benefit will display if the policyholder purchased the optional Nonforfeiture Benefit. \$[XXXX] will display the new policy limit.

<input type="checkbox"/>	<b>[Exercise the [Contingent Benefit Upon Lapse/Nonforfeiture Benefit] available on your policy].</b> Your policy will be converted to a paid-up status with a modified policy limit of \$[XXXX].]	N/A
--------------------------	--	-----

The following option will only display if the policyholder is not eligible for any of the options above.

<input type="checkbox"/>	<b>[Cancel your coverage.</b> This change will be effective immediately.	N/A
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- Page 8 of [X] The total number of pages in this package may vary due to required content.

**Form – JHLTC-8473 GPO POLICYHOLDER COVERAGE CHANGE REQUEST FORM (continued)**

Page 9

- [First Name] [Last Name] will vary based on the policyholder and display First Name and Last Name.
- [Policy #] will vary to reflect each policyholder's unique policy number.

**Step 3: Sign and Date**

Signature ([First Name] [Last Name])

Date

Name will vary based on the policyholder.

**Step 4: Return this completed form . . . by [Month XX, YYYY]** Date will vary based on the election deadline date.

The following information is bracketed in the event of a contact change:

**[Mail**

John Hancock  
LTC Coverage Election  
P.O. Box 55978  
Boston, MA 02205-9723

**FAX**

John Hancock  
LTC Coverage Election  
877-606-7771

**EMAIL**

LTCforms@jhancock.com

- Page 9 of [X] The total number of pages in this package may vary due to required content.